# LEGISLATIVE RECOMMENDATIONS OF THE PARALYZED VETERANS OF AMERICA, THE BLINDED VETERANS ASSOCIATION, AND THE VETERANS OF WORLD WAR I

---

## HEARING

BEFORE THE

## COMMITTEE ON VETERANS' AFFAIRS
## HOUSE OF REPRESENTATIVES

NINETY-SEVENTH CONGRESS

SECOND SESSION

MARCH 2, 1982

Printed for the use of the Committee on Veterans' Affairs

**Serial No. 97-52**

U.S. GOVERNMENT PRINTING OFFICE
92-105 O WASHINGTON : 1982

H761-17

## COMMITTEE ON VETERANS' AFFAIRS

G. V. (SONNY) MONTGOMERY, Mississippi, *Chairman*

DON EDWARDS, California
GEORGE E. DANIELSON, California
JACK BRINKLEY, Georgia
RONALD M. MOTTL, Ohio
BOB EDGAR, Pennsylvania
SAM B. HALL, Jr., Texas
DOUGLAS APPLEGATE, Ohio
MARVIN LEATH, Texas
WILLIAM HILL BONER, Tennessee
RICHARD C. SHELBY, Alabama
DAN MICA, Florida
THOMAS A. DASCHLE, South Dakota
BOB STUMP, Arizona
WAYNE DOWDY, Mississippi
PHIL GRAMM, Texas
AUSTIN J. MURPHY, Pennsylvania
BYRON L. DORGAN, North Dakota
ANTONIO WON PAT, Guam

JOHN PAUL HAMMERSCHMIDT, Arkansas
MARGARET M. HECKLER, Massachusetts
CHALMERS P. WYLIE, Ohio
ELWOOD HILLIS, Indiana
HAROLD S. SAWYER, Michigan
GERALD B. SOLOMON, New York
JIM JEFFRIES, Kansas
BOB McEWEN, Ohio
JIM DUNN, Michigan
CHRISTOPHER H. SMITH, New Jersey
ALBERT LEE SMITH, Alabama
DENNY SMITH, Oregon
MARK SILJANDER, Michigan
JOHN L. NAPIER, South Carolina

MACK FLEMING, *Chief Counsel and Staff Director*

# CONTENTS

---

March 2, 1982

Page

Legislative recommendations of the Paralyzed Veterans of America, the Blinded Veterans Association, and the Veterans of World War I of the United States of America, Inc ........ 1

Statements by Committee Members

Chairman Montgomery ........ 1
Hon. John Paul Hammerschmidt ........ 2

Witnesses

Delaney, Michael F., national president, Paralyzed Veterans of America, accompanied by Mr. Jack Powell, executive director ........ 3
  Prepared statement of Mr. Delaney ........ 33
Sharpe, Ellsworth L., national president, Blinded Veterans Association, accompanied by George E. Stocking, legislative chairman ........ 19
  Prepared statement of Mr. Stocking ........ 55
Roché, Winston M., national commander, Veterans of World War I of the United States of America, Inc., accompanied by Don R. Pears, national legislative director ........ 24
  Prepared statement of Mr. Roché ........ 65

# LEGISLATIVE RECOMMENDATIONS OF THE BLINDED VETERANS ASSOCIATION, PARALYZED VETERANS OF AMERICA, AND VETERANS OF WORLD WAR I

---

TUESDAY, MARCH 2, 1982

House of Representatives,
Committee on Veterans' Affairs,
*Washington, D.C.*

The committee met, pursuant to notice, at 9 a.m., in room 334, Cannon House Office Building, Hon. G. V. (Sonny) Montgomery (chairman of the committee) presiding.

## OPENING STATEMENT OF CHAIRMAN MONTGOMERY

Chairman Montgomery. Good morning. The committee will be in order. Let me first thank the Blinded Veterans organization for the very nice breakfast that they had this morning. And they did invite the Paralyzed Veterans group and I notice that the World War I veterans were not there, though, we'll be hearing from all three of these groups here this morning. But it was a nice breakfast. It's probably one of the earliest breakfasts that's ever been held on Capitol Hill, 7:30 in the morning. And it was a good turnout of members, and again thanks to the Blinded Veterans. Skip Sharp, the president of the Blinded Veterans, told me that he had just participated in a snow cross-country race, a skiing cross-country race in one of the Dakotas. So I wasn't worried about those fellows getting over here this morning to get to this hearing on time; if they can go cross country they can certainly make it over here. We're proud to have all three groups here, and we had a good hearing yesterday with some other veterans' organizations, plus a pretty good hearing with the Veterans' Administration. And probably they stayed on the stand longer than we've ever had the veterans' groups up here and I think we got a lot of good information that needed to get on the record.

This morning we are continuing our hearings to receive the legislative priorities of our national veterans' service organizations. Today we will hear from the Paralyzed Veterans of America, the Blinded Veterans Association, and the Veterans of World War I of the United States of America, Inc.

Yesterday we reviewed the Veterans' Administration's budget for fiscal year 1983. Therefore, we are looking forward to obtaining the views of our service organizations for this session of the Congress which will be helpful in submitting the views and recommendations of our committee to the Budget Committee by March 15.

Mr. Hammerschmidt would like to make a comment before I introduce our first witness.

## STATEMENT OF HON. JOHN PAUL HAMMERSCHMIDT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman. I want to also express my appreciation for being able to join with the Blinded Veterans Association and the PVA at breakfast this morning. And I join with the chairman this morning in a warm welcome to our witnesses.

They represent three fine organizations, each of which have made most significant contributions to the veterans programs of our country.

Last year, Mr. Chairman, I had occasion to state that the prepared testimony of the Paralyzed Veterans of America was one of the most thorough and thoughtful presentations that I had seen in my many years on this committee. Today, I note that they are planning to do a repeat performance. Mr. Michael Delaney, PVA's national president and his staff are doing a splendid job, and I look forward to hearing from him.

In a similar vein, the prepared testimony of the Blinded Veterans Association is, again, most comprehensive. It goes to the heart of the concerns and the special needs of blinded veterans, and I'm sure their program will receive the careful attention of our committee. National President Ellsworth and his legislative chairman, George Stocking, each have distinguished records in the BVA and I'm pleased to see them this morning.

Mr. Chairman, I am always pleased to see Commander Winston Roché, national commander of Veterans of World War I as well as Don Pears, their national legislative director. They are eloquent spokesmen for that fine organization. They and their associates are a very elite group of citizens who played a great and leading role in World War I. Their patriotism and dedication to our national heritage have been an inspiration to all of us. I look forward, as always, to hearing from Commander Roché and Mr. Pears, as they recite their organization's legislative aims and goals.

Thank you, Mr. Chairman.

Chairman MONTGOMERY. Thank you, Mr. Hammerschmidt.

At this time the Chair will recognize the Paralyzed Veterans of America and Mr. Michael Delaney, the national president. I'm sure he'd like to introduce those people at the head table with him, and, of course, we all know on this committee Jack Powell, your executive director. We recognize him even though he has a heavy suntan that we're all jealous of.

But let me say something about Jack before we recognize you, Mr. President. Mr. Nimmo, the Administrator of Veterans Affairs has appointed a 10-member advisory committee to assist him in directing Veterans' Administration rehabilitation programs, and 1 of those 10 is Jack Powell, who is executive director, as I mentioned, of the Paralyzed Veterans. And he will be the committee chairman, so that is a credit to your organization to have someone participating in this rehabilitation program.

Now, I notice, Mr. President, we all recognize you, but in the back of the room, Jim Mayer, who is a member of the Paralyzed Veterans Association and who worked with Max Cleland as one of his assistants. We're glad to have Jim with us. Will you raise your hand? He's standing. He's a wounded veteran, and we're certainly glad to have him with us today. He's worked with us well.

OK, having said that, Mr. President, without objection, your statement will be put in the record.[1]

We like to summarize these statements so our members can get into some questions. So you may proceed as you would like.

## STATEMENT OF MICHAEL F. DELANEY, NATIONAL PRESIDENT OF THE PARALYZED VETERANS OF AMERICA.

Mr. **Delaney**. Thank you, Mr. Chairman. I'm pleased that you noted the suntan that Mr. Powell has, because he's been telling me that he's been terribly overworked lately, and he's the only one here that manages to have a suntan. As you probably have noticed, Mr. Mayer doesn't have one. He's been doing all the work.

Thank you for your comments concerning our staff. We do have an excellent staff, and a hard working bunch of men and women and the officers and the board of directors of PVA certainly support their efforts.

Mr. Chairman, I have with me today on my right our senior vice president, Mr. Paul Cheremeta from the State of Ohio, Mr. Powell on my left, and on my far left, Mr. Doug Vollmer, our national legislative director.

It is an honor for me to present the legislative views and concerns which are held by the members of the Paralyzed Veterans of America, and it is certainly a sincere pleasure for me to speak here today with this committee.

At the very outset, I would like to state that we are very appreciative of the fine working relationship that we have, not only with the members of this committee, but also with the staff. The staff has been very responsive, on the House Veterans' Affairs Committee, to the needs of the paralyzed veterans, and we certainly appreciate their efforts in working with us and getting us answers when we need them.

In thanking the members of this committee for working on behalf of the Nation's veterans, special appreciation is due the staff members who work for both the majority and minority members of the committee. The committee has a staff of which it can be especially proud. Each member of the staff is proving himself or herself to be very dedicated, extremely capable, and above all, willing to do the work with veterans and their service organizations. We truly appreciate it.

In the interest of time, I shall keep my comments brief today. PVA has presented to the committee copies of our much longer, more detailed statement, and I ask that it be entered into the record.

---

[1] See p. 33.

PVA fully recognizes that the veterans benefits, services, and programs constitute a most important element in our national defense efforts. Without the assistance of veterans programs, many willing and capable young individuals simply could not afford to serve voluntarily in the Armed Forces of the United States. While we believe that most Americans do not need to be induced into rendering such service, we recognize that in today's competitive and financially draining world, the average citizen needs special compensation for disrupting his personal life to render this valuable and unique service to the country.

PVA feels that the Nation and its Government must continue to recognize that veterans programs are indispensable to the national security, even though they are necessarily distinct and apart from the efforts of the Department of Defense. The past few months have seen improved Armed Forces recruiting; however, should the Nation's economy improve significantly, it is probable that recruitments will drop to their previously inadequate levels. Improved veterans benefits are, therefore, an essential part of our Nation's security.

Adequate funding for veterans programs is very important. On February 8, 1982, the administration released its fiscal year 1983 budget request, and it reveals that the VA, in real terms, would be funded below previous levels. The decrease will arise from the effects of inflation and from the fact that the VA will be required to provide for its employees pay raises out of the requested $25.6 billion in budget authority.

This amount reflects an increase of $867 million, which will not offset the erosion which has been noted.

We recognize that the administration would fund the VA more adequately than it would the various social programs and that no agency, program, or function would receive the attention and increased relative funding as would be given to the Department of Defense.

Because many social programs will be curtailed, PVA anticipates that there will be a much greater demand for VA services. For example, the administration's larger Federal budget shows reduced funding for non-VA discretionary programs. They are to be cut by $14.2 billion. These discretionary programs include, for example, training and employment programs, vocational education, and rehabilitation grants. Rehabilitation grants are to be cut by one-third.

Closely akin to these non-VA discretionary programs are the non-VA entitlements. Under the administration's budget proposal, they, too, would have reduced funding in fiscal year 1983. Medicare and medicaid funds are included in this group, and they are to be reduced by $5.1 billion in cash assistance and nutrition will be cut by $4.6 billion.

Many of the same persons who feel the impact of reductions in the non-VA discretionary programs will also be the ones affected by cuts in non-VA entitlement programs. PVA anticipates that many individuals who have received health care and medical treatment under the medicare and medicaid programs will now turn to the VA for care.

We suspect that many beneficiaries under medicare have not relied on the VA because it has been more convenient for them to receive treatment closer to their homes. However, they are likely to now rely on the VA, even when VA facilities are not conveniently located, because the VA will be their only source of needed services.

Along these same lines, newly disabled veterans will probably seek VA rehabilitation services sooner than they have in the past, because non-VA sources will not be available.

As noted, the VA's budget, according to the administration's recommendations, will not realize substantial real growth in the VA's capabilities to care for veterans. For example, fiscal year 1983 will see another reduction in VA operating beds. Whereas there were 96,400 VA operating beds in fiscal year 1973, there will be only 80,400 such beds in the system in fiscal year 1983. A number of complex forces have combined to enable the VA to more efficiently care for a greater number of veterans with fewer hospital beds. However, PVA remains unconvinced that even with the additional 4,000 inpatients to be treated in fiscal year 1983, and with the growing emphasis on out-patient care, that the VA can absorb the burdens being placed on its resources.

PVA is very distraught that the Administrator of Veterans Affairs suddenly announced on February 19, 1982, that there is to be a blanket, across-the-board freeze on VA hospital construction. Now, we do not know what the administration's VA budget request really is for fiscal year 1983. It is evident that even as veterans representatives sat in the VA central office on February 8, and were briefed on the VA's fiscal year 1983 budget that we were being misled, and that an alternative budget proposal had already been adopted by the administration. This new budget proposal is thinly disguised as being nearly a mere moratorium on hospital construction until a demographic study of the veterans population is completed.

We strongly opposed Administrator Nimmo's across-the-board freeze on construction of VA hospitals, clinics, nursing homes, and domiciliaries because we do not trust the motives behind the administration's action. We know that the VA is dominated by the Office of Management and Budget, and we feel that this administration, like the last one, has continued to make far-reaching decisions without consideration for, or involvement by the veterans' organizations.

Mr. Nimmo, in announcing the administration's reason for canceling construction projects, cited there are 2,000 empty hospital beds in Minneapolis, and that a VA hospital is not needed there. PVA has heard Minneapolis cited as an example of hospital overbedding, just as we have heard that there is an excess of hospital beds in Oregon.

President Carter, at the bidding of the American Medical Association, displayed a willingness to curtail VA hospital construction. President Reagan appears to be showing the same willingness to sacrifice the VA health care system.

Curtailing VA hospital construction was a major part of the AMA's policy of mainstreaming veterans, whereby veterans would be treated in private hospitals at greater expense to the Government. The Carter administration basically adopted the AMA's position and called it enrollment. Additionally, the past administration proposed hospital cost containment, a plan whereby VA construction projects were to be approved by local, nonelected reviewing boards made up largely of representatives from private hospitals. Cost containment and enrollment were merely different terms for the same policy.

The Reagan administration came to Washington strongly supporting the recommendations made by the Heritage Foundation. The foundation's analysis of the VA health care system, as contained in the "Agenda for Progress: Examining Federal Spending," describes the VA's health care system as both wasteful and redundant. It concludes that the Nation's more than 7,000 non-Federal hospitals should be the source of care for veterans.

Very briefly, PVA knows that the VA offers veterans care for unique disabilities which have arisen from their service to the Nation. We know that the VA, unlike private, forprofit hospitals and health care systems, will work to insure that the individual veteran receives the rehabilitation and prosthetics he needs to function as normally as possible and at the lowest possible cost to the taxpayer. We know that over 30 percent of all physicians in the United States have received free training through the Veterans' Administration. And, we recognize that the VA has lost over 20,000 operating beds during the past decade, while adversaries of the system have continued to construct new facilities in the private sector.

In short, the VA health care system is not wasteful or redundant, and the administration is wrong in following the policies of the Heritage Foundation and the AMA. If overbedding exists in the United States, it is not a creation of the Veterans' Administration. A system of half-truths was used during the Carter administration to undermine the VA health care system. The lack of openness continues. We saw a number of VA hospital construction projects canceled during fiscal year 1982 and we see the same injustice repeating itself this year, only to a more extreme degree. The half-truth is that there are more VA hospitals than are needed. The full truth is that some areas of the country have excess VA and or private hospital beds.

PVA is conscious of the need for a review of VA hospital construction projects. We only want the review to be equitable and for those that are administering the review to abide by their findings; in other words, the VA must construct new VA hospitals where the report indicates that they are needed.

A year ago, PVA, during presentation of its annual legislative statement before this committee, asked for a demographic study of patient origins of veterans who utilize the most sophisticated and expensive medical equipment in the VA system. Since that time, and in response to questions asked during a hearing before the Senate Committee on Veterans' Affairs, we wrote to the chairman and ranking minority member of the Senate committee asking for a demographic study of patients who use the VA system.

Additionally PVA and the Veterans' Administration are jointly examining the demographic origins of spinal cord injured veterans. PVA sees demographic studies as necessary. We are also wary that they are likely to be used as a justification for curtailing all VA hospital construction. PVA's suspicion arises because of the administration's blind rescinding and deferring of VA hospital construction projects in 1982 without examining the already established need for these particular facilities. Adding to our suspicion, as noted above, is that the administration released its fiscal year 1983 VA budget request knowing that this budget did not reflect the administration's already developed plan to end hospital construction. In short, PVA is suspicious because of the administration's actions last year, and because of the absence of good-faith dealing this year.

Last year, during our annual legislative statement, we called for the establishment of a Presidential commission to examine the VA budget and the programs which could be curtailed with least harm to veterans. The commission was intended as an open forum for determining VA resource allocation. On December 27, 1981, the Detroit News endorsed PVA's suggestion for the commission. We reiterate our request for establishment of this policy-determining commission.

The commission, to highlight some points raised a year ago, would make suggestions to Congress and to the administration on the budget needs——

Chairman MONTGOMERY. Mr. Delaney, I'm sorry. You have been over 10 minutes. How much further do you have. We have a good attendance of members here, and I would like——

Mr. DELANEY. Just a little bit further, Mr. Chairman

Chairman MONTGOMERY. What's a little bit?

Mr. DELANEY. About 3 minutes.

If I could briefly explain what the commission's function would be for those of you who perhaps don't recall our call for this commission last year. The commission should consist of representatives from the congressionally chartered veterans service organization. Second, it should also consist of representatives from the Office of Management and Budget. The commission should also consist of representatives from the Veterans' Administration. And last, it would report to the Committee on Veterans' Affairs throughout the year.

In calling for the establishment of this commission we are not implying that the Committees on Veterans' Affairs have not served veterans well. We are saying, however, that this administration does not deal openly and earnestly with the veterans, nor with veterans' organizations. We also recognize that the administration has the full support of many powerful Members of Congress who have been in perfect agreement with each attack on veterans' programs that have been made by the Director of the Office of Management and Budget.

It is evident that the administration's original 1983 budget request disregards the importance of the Committees on Veterans' Affairs. For example, OMB seeks to design legislation to require users fees for veterans who utilize their veteran home loan guarantee. And OMB seeks legislation to deny veterans' benefits to certain dependents of veterans who are undergoing rehabilitation for disabilities sustained while in service to the Nation.

OMB should stick to the budget matters and leave authorizing legislation to the Committees on Veterans' Affairs. Still, OMB could inflict great harm on the VA, through either callousness or ignorance. Also, either OMB does not know, or does not care to recognize that the VA already uses contracting extensively throughout the system on a case-by-case basis. The Congressional Budget Office, like OMB, has looked only at budget matters when it has attacked veterans programs.

For example, CBO has proposed to the Committees on the Budget that there be an income tax on veterans compensation, which are benefits received because of service-connected disability.

PVA has seen Congress and the administration, in past years, provide for establishment of consumer information offices in the Federal agencies, including the VA. We ask that Congress work to establish the recommended Presidential commission, which would, unlike the consumer information programs, cost the Government much less and contribute much more.

PVA sees long-term resource allocation as being the greatest need of the Veterans' Administration—we do not see this need being fulfilled by an administration which reveals mutually contradictory policy positions within a period of 11 days.

Mr. Chairman and members of this committee, this concludes my statement. I will be glad to answer any questions that I can.

Chairman **Montgomery**. Thank you for your excellent summary based upon a very excellent statement, all of which will be in the record.

Could you give me just a brief comment, if you will, on the continuity, or the lack of continuity from one administration to the other. You referred to the Carter and Reagan administrations, I would presume within the staff of the VA that basically they have their people in place, except for their top appointed positions, and that there is a fairly stable department of Government.

Could you just give your brief comment or observations about that?

Mr. **Delaney**. Well, we feel that the only continuity at this point seems to be at OMB, the same people come back at us year after year regardless of who we have in the White House, regardless of who we have in the Veterans' Administration. That's our primary problem.

Chairman **Montgomery**. Mr. Hammerschmidt?

Mr. **Hammerschmidt**. Thank you, Mr. Chairman.

I'm not going to take the time of the witness or the committee to ask questions. I would agree with Mr. Delaney on that last statement he just made. We know that's an ongoing worry and problem and always has been up here on the Hill and downtown.

Your testimony is so comprehensive, I'm not sure that there are any questions left to ask but should we submit something in writing, we would appreciate very much your response for the record.

Thank you, Mr. Chairman.

Chairman **Montgomery**. Mr. Mottl, the chairman of the Subcommittee on Hospitals and Health Care had to leave for another committee meeting but we appreciate his presence here earlier today.

Mr. Edgar, chairman of the Subcommittee on Education, Training and Employment.

Mr. **Edgar.** Thank you, Mr. Chairman.

Thank you very much for your testimony. I can remember receiving testimony that goes up into the 65 pages in length and it is a very comprehensive statement.

One area that is of concern not only to this committee but to the Public Works and Transportation Committee is the concern about accessibility to Federal institutions, the Federal buildings, the ability of persons in wheelchairs to have access to those things that are purchased with public funding.

Do you see any erosion of the commitment toward full accessibility in any of the communications with the new administration?

Mr. **Delaney.** I think it's becoming more and more a matter of cost as opposed to rights or as opposed to basic employment efforts for the disabled. We hear more and more often the concern about cost and I think we need to examine that more closely because I think if you really get into it you find that the costs involved with accessibility are actually not that great when you consider the economic value of putting people to work and giving them employment.

I think that we need to look at that as opposed to simply the sheer construction costs that may be involved.

Mr. **Edgar.** I think it's important for us to be vigilant, particularly with the high deficits that we're running, to make sure that there isn't any change in the commitment of the Federal Government toward full accessibility.

The second question goes to the heart of the cost savings that the Veterans' Administration is trying to achieve for the President's budget initiative. Is it your opinion that more of those cost savings fall on the disabled veteran as opposed to veterans in general? I'm thinking about the changes in rules and regulations and changes in compensation levels for persons who are in vocational education and for their dependents.

Mr. **Delaney.** Yes, I think so. I would think so, yes, very definitely.

Mr. **Edgar.** As we were talking yesterday with the VA, it seemed to me that more of the burden of the cost savings in this year's budget, while they may be smaller than last year, fall particularly hard on the disabled veteran.

Mr. **Delaney.** The disabled veteran is suffering, as you well know, from chronic unemployment. Right now I don't have to quote figures for you but there are over 600,000 Vietnam-era veterans, many of whom are disabled to some degree, who are unemployed.

And I would laud the efforts of this committee in trying to create that career development and advancement training program which is in H.R. 2887. I think that's a step in the right direction. We need to have more programs specifically geared for the Vietnam-era and disabled veteran. Disabled vets need employment. They need funds. For instance, another program that I think has fallen by the wayside is Public Law 97-72, which authorized the Administrator of the VA to assist disabled veterans in establishing a small business by providing loan guarantees.

But unfortunately, the administration doesn't see fit to provide funding in this year's budget for that program. So, we have the authorization but we don't have the funds.

Mr. **Edgar**. I appreciated your mentioning that one because that particular provision came through the subcommittee which I chair and I think it's an important provision because the Small Business Administration was not doing a very good job of targeting aid to the veteran.

Let me ask you one final question. I was startled yesterday when I asked the Administrator of the Veterans' Administration when was the last time he spoke with the President of the United States about veterans' initiatives. And he indicated that in the 8 months that he's been in office, he has not had an opportunity to sit down and substantively talk to the President about veterans' issues.

He does not serve on any Cabinet-level commission. He does not attend Cabinet meetings as a voluntary initiative on the part of the President. And it seemed to me that his accessibility to the President was really in question. Mr. Napier indicated he had a bill in to allow the Veterans' Administrator to be a member of the Cabinet because they were the third largest budget category of OMB.

I wonder if you have any feelings about whether or not the Veterans' Administrator should have better access to the White House.

Mr. **Delaney**. We certainly have made our thoughts known in last year's testimony and other testimony throughout the year about the need for the Veterans' Administration to be at a Cabinet level, for the Administrator to be a Cabinet member. We think that would provide mandatory access to the President of the United States. Not just social access.

Mr. **Edgar**. Thank you. I yield back my time.

[Mr. Brinkley assumed the chair.]

Mr. **Brinkley**. Mr. Jeffries?

Mr. Dorgan has to leave in just a moment for an Agriculture Committee meeting and is recognized at this time.

Mr. **Dorgan**. Thank you, Mr. Chairman.

Mr. Delaney, I appreciate your testimony and I just wanted to make comment on one item that I think Mr. Edgar was talking about as well. That is the difference between availability and accessibility. I just want to tell you of an instance in North Dakota, my congressional district. We have a young fellow there who I've been working with who suffered a rather severe head wound in Vietnam and the result of the wound is that the entire left side of his body is completely paralyzed. And as a result of that, he had to have a toe removed. A minor operation but it was the result of muscle atrophy or something and he had to have the toe removed.

His father took him to his doctor in his small community there in North Dakota and had the minor surgery done. They subsequently sent the bill to the Veterans' Administration and they said, no, we won't pay for that because he should have been brought to the vets hospital in Fargo, N. Dak.

In North Dakota, to travel from the community where that young fellow was living to the vets hospital was 350 miles one way. In effect, what they were saying is that this young fellow who is paralyzed should be put in a car and driven 700 miles to have minor surgery performed before the U.S. Government would help pay the cost of that minor surgery—even though the minor surgery was necessitated by the wounds that young fellow suffered in Vietnam.

There is something wrong with a system like that. Certainly, we have a very fine VA hospital in North Dakota but that facility and the medical opportunities offered by that hospital are not very accessible to that young fellow living in Stanley, N. Dak., and that's a serious problem.

And you touched on it in your testimony. I think Mr. Edgar was touching on it in his questions. I think all of us ought to understand that when people talk about the veterans' benefits, sure, there are some good veterans' benefits in place but we don't all have equal accessibility to them around the country. We need to do better in making sure the appropriations are in place to provide care and assistance to the young fellow I was just talking about.

Mr. DELANEY. And as you know, beneficiary travel is one of the items that the administration talks about most in terms of cutting.

Mr. DORGAN. Exactly.

Mr. DELANEY. That's precisely one of the reasons why we would like to see a Presidential Commission made up of representatives of the veterans organizations. Perhaps, when we put our minds together with the folks from OMB and the VA and congressional committees, we can come up with some fair and equitable ways of determining who gets beneficiary travel. Who is in most need of it?

Mr. DORGAN. That's certainly correct. Beneficiary travel is in danger of being cut as a result of the proposal and notwithstanding the proposed cut, there should be greater accessibility out there than exists even with the proposed budget.

So, I appreciate your testimony and I hope that we can work together on this aspect of accessibility of veterans' health care to those folks who live in some of the more remote areas of the country. Thank you very much.

Mr. HAMMERSCHMIDT. Will the gentleman from North Dakota yield?

Mr. DORGAN. Be very happy to yield.

Mr. HAMMERSCHMIDT. Of course, I don't know the circumstances of that case of the young man who had to have his toe amputated. But under normal circumstances, under VA policy, had he sought advance permission that could have been done there in that local hospital and reimbursement could have been made. I just point that out for the record.

Mr. DORGAN. I understand that and I appreciate your pointing that out. The difficulty here is, of course, that this young fellow's father is not an expert in VA health care affairs and the paperwork and the procedures for the last part of the consideration of what needs to be done here. And so they just went to the local doctor as a matter of health care for the young fellow.

You know, after that they sent the bill to the Veterans' people and the Veterans' people, said, well, by the rules it simply doesn't qualify. I understand that, but what we're getting involved in here is some bureaucratic fog. This fellow needed health care treatment because of his Vietnam wound and he should have gotten that treatment paid for by the Federal Government, in my opinion.

I appreciate your comment.

Mr. **Delaney**. I understand what you're saying and if I could just make one brief comment on that.

One of the problems is the severe turnover that we see in the Veterans' Administration in terms of the outpatient physicians. You go in to see a physician, you find a physician who knows absolutely nothing about the Veterans' Administration and its eligibility requirements and provisions.

And that is a problem. Many times people are told that there is nothing that the VA can do for the individual, when in fact, the person is eligible. That is a problem. And Mr. Powell had a comment he'd like to make on that, too, if he could.

Mr. **Powell**. One of the things that comes into play—and I certainly agree with Congressman Hammerschmidt—is the fact that no matter how good the benefits are that exist, unless the veteran has access to counseling to know what exists and to know what procedure to go through, he can't avail himself of those benefits. And that's something that perhaps happened in this gentleman's case in North Dakota, not knowing the procedure to go through.

And while we place a lot of concentration on DM&S, I think that one thing that perhaps we have a tendency to do is to overlook some of the things we're talking about happening—issues—because if those kinds of things happen, then we're going to have many more veterans out there go the wrong way about doing something and end up having to take money out of their own pocket.

Mr. **Dorgan**. You're right. There isn't storefront counseling for veterans in Stanley, N. Dak., nor many other communities of that size in the country.

Mr. **Powell**. Right.

Mr. **Dorgan**. Thank you again. I do have to go to an Agriculture Committee meeting, Mr. Chairman. I appreciate the opportunity to hear your statement and to ask a question.

Mr. **Brinkley**. Thank you. The time of the gentleman has expired. If the case to which the gentleman refers is service-connected and the gentleman has any further problem, staff could give him a hand on it.

Thank you. Mr. Harold Sawyer.

Mr. **Sawyer**. Thank you, Mr. Chairman.

I appreciate the rather thorough 65 pages I see of statement.

I was just going to make one suggestion as far as this member is concerned. Mainly I get a little offended by the inferences that these things you disagree with are in bad faith or done surreptiously or for purposes other than honorable. That kind of bothers me.

I disagree with a lot of things I see here, not just this administration. Prior administrations, the CBO, the OMB, or Veterans' Administration. But I think it's a lot better if you credit the bona fides of the people and just recognize that sometimes you disagree with them. At least that kind of an approach appeals to me better.

Thank you very much, Mr. Chairman. I yield back.

Mr. **Brinkley**. Thank you Mr. Sawyer. Mr. Dunn?

Mr. **Dunn**. Just to sort of highlight what Mr. Sawyer said I would have to agree. I've been very involved with disabled American veterans this year in one particular area and that's the area of prosthesis research. And much to my chagrin some of the veterans' organizations, rather than helping me solve the problems of the

VA, simply made the statement the VA is right and has to be protected in all cases.

And believe me, they're doing a lot of things wrong that can be straightened out that don't involve more funding and I do need help from your group to get into those kind of details. Rather than simply saying we need to throw more money in that. I know that's a popular phrase around here.

But believe me, the problems in the prosthetic research area are overwhelming and there's more than enough work for all of us to do. Things we could straighten out which have absolutely nothing to do with the funding levels.

I thank the chairman.

Mr. **Brinkley**. Thank you, Mr. Dunn. Mr. Hillis?

Mr. **Hillis**. No.

Mr. **Brinkley**. Mr. Smith of Alabama?

Mr. **Smith** of Alabama. No comment. No questions.

Mr. **Brinkley**. Thank you, Mr. Smith of New Jersey. Mr. Dowdy of Mississippi? Mr. Applegate?

Mr. **Applegate**. Thank you, Mr. Chairman.

Maybe I'll take just a little different approach.

Mr. Delaney, I appreciate you and the other fellows coming in and making very, very concise and very direct, frank statements. I think you hit on points very accurately and very hard. I share a concern with Mr. Edgar that the President of the United States has failed to take the time to talk with the head of the Veterans' Administration.

And in fact, he's failed to take the time to talk with veterans, farmers, steelworkers, pottery workers, or most of anybody else in the country who are considered as workers.

I think that if you had $1,000 and you made a donation to the Heritage Foundation, you could get in to talk to somebody in a higher position at the White House. But, unfortunately, all the veterans don't have that opportunity.

I share a very strong concern, frankly, and I think it relates much to what you were saying. We have some 12 million World War II and Korean war veterans who are going to be coming of age and are going to be needing some kind of assistance. That's all they're asking for. It isn't anything that they're asking for nothing. They've paid for it. And I fear, even though Mr. Nimmo has said that this is not the case but they say sometimes where there's smoke, there's a little bit of fire. And I fear for the future of hospital construction and if any of these programs are terminated, what is to be done with these millions of veterans who may have to be hospitalized some day.

While the Veterans' Administration is talking about adding 900 or 1,000 employees, they also are talking about the possibility of knocking out over 300,000 spouses or survivors who could possibly receive the benefits from veterans who are getting less than 50-percent disability.

I fear for the future of the cost-of-living increases for pension benefits. While the inflationary rate may be down, at the same time, I don't want to see them terminated. I saw where that is a distinct possibility to save so much money. And of course, the possibility of so-called and I say free medical care to those veterans over

65 years of age. Again, I reiterate, that there has been no free lunch in this country. That there was no free medical care. The veterans of this country have paid, and they paid with their life and limbs, and I think that they deserve that.

And I think it all goes to maybe one thing and I'd hate to think that this is true but there's the old cliche that they're trying to balance the budget on the backs of veterans, the old, the poor, and the unemployed. I think that's frankly a lot of bunk. Because while they may be cutting into these programs for the veterans and for those that I mentioned, they're certainly not diminishing the size of the deficit.

In fact, they've doubled the size of the deficit. And that goes back into another problem of while we may be looking at programs to help the veterans to establish small businesses, who is going to buy it if everybody is out of work. And at the same time, what are you going to do if the interest rates are so excessive that you're not going to be able to have the productivity in order to maintain that business?

So, these I think, are legitimate fears. They are of mine. I agree that perhaps there should be a limitation. I sometimes think—and I've made the statement—there should be no limits to the distance that we should go to help the veterans in this country.

But, I'm sure that we can use good commonsense and I know that you have and will, and you have, obviously, in the statements that you have made. I hope in the future, with maybe some of the statements that are made, some of the hearings that we're having, that perhaps the White House is going to look a little bit more with concern. And maybe sit down and face those people whom they are affecting the most. So that we can see that veterans are certainly going to get their full share of what they've earned.

That's as much as I want to say.

Mr. **Powell**. I think that we do a disservice to reality when we take the questioning of a budget and attempt to turn it into whether or not people are screaming that more money should be thrown at an issue. And I want one thing to be clear, which I know counsel for this committee is well aware of and certain other members of the staff. This organization, Paralyzed Veterans of America, has long advocated that money not be spent in areas where money wasn't justified.

Just recently, we testified against a $16 million construction project for a spinal cord injury facility—because we could not see the justification for those funds. But we do ask the question, however, is the process that we go through deciding what limited amount of funds are going to be utilized and where they are going to be utilized so that they be least disruptive to the program.

So, it obviously is the intent of this committee to carry on for veterans. That's something that I wanted to make clear. We're not just asking for an endless pot of money. We're talking about how we spend what dollars are available. And I think every reasonable human being in this room has to recognize that those numbers of dollars are limited. We certainly do.

Mr. **Brinkley**. Thank you, Mr. Powell.

Mr. Smith of New Jersey?

Mr. **Smith** of New Jersey. Thank you, Mr. Chairman. I'd like to thank Mr. Delaney first of all, for his very strong statement. And you did emphasize that we need more, not less hospital beds and I would have to agree with that. As I'm sure you're aware, Public Law 97-72, as passed by Congress and signed by the President, authorized 100,000 beds and not less than 90,000 should be in operation.

And I think the freeze on new construction of VA facilities, hospitals and nursing homes certainly flies in the face of that legislation.

I'd like to know—I think Mr. Applegate was going along into this area of questioning—the World War II veterans who are paralyzed. We know how many there are and what their needs are, basically. But could you give us any indication how many of those men will be in need of nursing homes, as they move into that senior citizens category?

Mr. **Delaney**. You're speaking of spinal cord injured World War II veterans?

Mr. **Smith** of New Jersey. Yes.

Mr. **Delaney**. Strictly?

Mr. **Smith** of New Jersey. Not strictly but if you had any kind of statistic on that. Because we do believe, I think, generally that the——

Mr. **Delaney**. You see the problem is not just limited to those who have disabilities because geriatrically, we're talking about a lot of people becoming the age where they're going to need nursing home facilities, extended care facilities.

So, it's not just limited to the spinal cord injured at all. And we are doing a demographic study which we alluded to in our testimony. Specifically, on the needs of the—to try to get a handle on the needs of the spinal cord injured and we're going over figures right now with the Veterans' Administration to try to determine exactly how many people we have out there and what their needs are.

Mr. Powell?

Mr. **Powell**. Mr. Smith, if I could. We have asked and I don't know whether the money will be available for it but it's contained in our testimony, for a study of the needs of the aging catastrophically disabled veteran. In the case of spinal cord injury, this is a unique problem because never before in history have these people existed.

When this organization was founded in 1946, the life expectancy of a paraquadraplegic was 6 to 18 months. So, this group of World War II veterans that we are beginning to deal with now have never, ever been dealt with before and they just—it's something that we need to look at. But it's certainly obvious that we don't have as many beds in operation today in the VA system as the minimum number Public Law 97-72 said were supposed to be in operation.

Whether that's right or wrong, I don't know. But I do know this. We were out in Oregon about 1 year ago in October and looked at the overbedding that existed there and we went around to the hospitals. We saw that the overbedding existed in gynecological wards, in maternity wards, the kinds of services that veterans have not traditionally had a need for a large utilization of. Unless, of course, Mr. Stockman gets away with what he plans to do to them.

**Mr. Smith** of New Jersey. Do you have any idea how long such a study would take, if approved. Because you know we are dealing with that category again. And World War II veterans, particularly, moving into that——

**Mr. Powell.** I think that the initial portion of the study could be done within 2 years.

**Mr. Smith** of New Jersey. Thank you.

**Mr. Brinkley.** Mr. McEwen?

**Mr. McEwen.** No, thank you.

**Mr. Brinkley.** The gentleman from Ohio?

All right, Mr. Boner from Tennessee?

My colleague on the Armed Services Committee, Mr. Won Pat of Guam.

**Mr. Won Pat.** Thank you, Mr. Chairman.

First, I apologize for coming late as usual. I know I was late yesterday but I want to apologize to the witnesses who have been here earlier.

I didn't have the opportunity to read thoroughly your testimony. But, from the other members' comments, I feel that your testimony presents, of course, justifiable cause.

Now, since I represent quite a number of veterans in Guam, I would like to make an observation with respect to accessibility to benefits.

We are the most farflung territory of the United States. We have hundreds of veterans, disabled veterans versus able veterans. They have been denied many of the benefits provided by the Veterans' Administration because of the lack of accessibility and the lack of the knowledge of what is available to them.

I had a case where a veteran went to the naval hospital there and was turned down. He had to go to the Guam Memorial Hospital, which is a private hospital. Rather, not a private, but it's a local government institution in order to get aid. And although he had made representation to the authorities, in the end, he got no satisfaction whatsoever.

I just made this observation because of the fact that we are in what you call in a worse position than many of you people are here in the mainland. If you cannot go to one place, perhaps you can easily go to another. Just like unemployment. When you lose a job in Guam, you cannot go across the ocean to Hawaii or the mainland to get a job. But out here, if you lose your job you could perhaps go to another city and be able to find employment.

I'm just saying that as a matter of observation. But, at any rate, I want you to know that I am very, very sympathetic of the problems of the veterans. And I am committed to support your cause.

Thank you, Mr. Chairman.

**Mr. Brinkley.** Thank you, Mr. Won Pat.

Thank you for pointing out the unique situation which does exist in Guam with our veteran population served there and their needs.

Mr. Wylie?

**Mr. Wylie.** Thank you, Mr. Chairman.

I, too, am sorry to be a little late. There are a lot of things going on right now, one of which is the congressional redistricting in Ohio. And this caused me some concern.

I did want to make the effort to come this morning and pay my respects to this very distinguished panel. You always do an outstanding job and I've seen each of you before. You are extremely important in our deliberations on this committee and we do listen to you.

I was a little anxious about some statements made this morning which I detected as being in the frame of reference of a little political rhetoric. This has been a fairly nonpolitical committee over the years. As you know, we work very closely together and I hope that we do not deteriorate into a political forum. I think there are better platforms to profess political beliefs and philosophies.

I have no questions.

Mr. HAMMERSCHMIDT. Will the gentleman yield?

Mr. WYLIE. Of course, I'd be glad to yield.

Mr. HAMMERSCHMIDT. I want to join him in my own apprehension, at least, about the rhetoric here this morning because some of our members may not know that PVA, the DAV, the American Legion, the VFW, all basically consider the medical care budget to be a pretty good budget.

It adds 1,000 people. I know there are some problems with the research area which eliminated 199 people. But on balance, I think they consider it to be a pretty good budget and it may just be that some of our members are not that aware of what is being proposed. So, I think that we've always had this great relationship with the service organizations. And particularly the PVA, and we think that their suggestions are very responsible and they recognize the economic conditions of this country.

So, I want to congratulate them for their very fine testimony.

Mr. WYLIE. I want to congratulate them, too. But the real point I wanted to make is that over the years, this is probably the least political of all the committees. We have worked together with the various organizations and I know the chairman of the committee feels the same way about it.

Mr. Chairman, I have no questions.

Mr. MCEWEN. Will the gentleman yield?

Mr. WYLIE. Yes, of course.

Mr. MCEWEN. Mr. Wylie, may I take this opportunity to associate myself with your remarks as well. And to state that responsible people can observe a difficult situation and come to different conclusions. I just am one that refuses to believe that Max Cleland was not concerned about the interests of the veteran. And as you remember, as we went through this budget process last year, we had no point man that we could make the villain. Because there was no VA Administrator. Now, fortunately, we have one.

And I am very concerned, as well, that as we look at the limited resources that are available and as people attempt to do their best, whether it be in the Veterans' Administration, the administration as a whole, the White House, the Office of Management and Budget, the Congressional Budget Office, the members of this committee, that all of us recognize the need. As you know, yesterday we met with the students that are concerned about funding for their college educations.

This morning, at 7 a.m., I met with the representatives from title V of the Older Americans Act assistance for senior citizens that is being reduced. At 8 a.m. you and I were guests at a breakfast for vocational education. The funding that's being reduced there.

I don't think that there is any villainous intent on the part of Members of Congress in attempting to balance the budget on the backs of the American people. Because, regardless of which committee you're in, the nonavailability of unlimited resources presumes that one is attempting to balance the budget on the backs of the farmer or of the working person or of the old person or of the young person or the college student or the veteran or of anyone else.

And it's true that in attempting to balance the budget, attempts will be made to balance the budget on the backs of the American people for their goals. And we need the cooperation and guidance of responsible individuals to perform a very difficult task. I think it is appropriate for Mr. Sawyer and yourself and Mr. Hammerschmidt and others to point this out.

Thank you very much.

Mr. **Wylie**. Thank you very much for your contribution. We will come up with a good program for the veterans as we have in each of the 15 years that I've been on this committee. But we should save some of the political rhetoric for the campaign trail.

Thank you, Mr. Chairman.

Chairman **Montgomery**. Thank you. I would certainly add to that it's nonpartisan as far as I'm concerned as chairman. What we're worried about is the veteran and his or her dependents and that's what we're going to do.

Thank you very much for being here this morning. Mr. President, stay in the back. Hang around. We're glad to have you here. I know you have to go to the Senate. I think all three of these groups have to testify at the Senate starting at 10:30 and I know that Mr. Roché of the World War I veterans is concerned, but I think we can move it along here so that you can get over to the Senate.

So, thank you for testifying. Now, we'd like to have the Blinded Veterans Association to come up to the witness stand.

Mr. **Delaney**. Thank you very much, Mr. Chairman.

Chairman **Montgomery**. Now, we'd like to welcome the Blinded Veterans Association. Again, thank you all very much for the delightful breakfast this morning. It was informal and we all enjoyed it.

Now, Skip, you're the national president. We'll let you introduce the other witnesses and you may proceed in any manner that you would like. Without objections, your full statement will be printed in the record. You have 10 minutes. If you would keep within that time, we would appreciate it. The Chair recognizes you, president of the Blinded Veterans Association.

## STATEMENT OF ELLSWORTH L. SHARPE, NATIONAL PRESIDENT OF THE BLINDED VETERANS ASSOCIATION

Mr. SHARPE. Mr. Chairman and committee members, George Stocking, BVA's legislative committee chairman, and I appreciate this opportunity to present the Blinded Veterans legislative program before this committee.

As you know, our organization represents veterans with special needs. We are committed to meet these needs for our people.

Our mission is a positive one whereby we motivate blinded veterans to help other blinded veterans develop their abilities and overcome their disabilities. We are not the only ones committed to blinded veterans. Fortunately, the Congress, and this committee, have been kind to us in the past and have agreed with many of our program initiatives. For example, the committee and its chairman cosponsored a bill last year which made last August 13 Blinded Veterans Recognition Day.

The first item I would like to discuss is the cost-of-living adjustment. As you know, many blinded veterans live on fixed incomes. Eighty percent of blinded veterans are unable to work because of their blindness or other disabilities.

In the present budget, 8.1 percent was allotted for a cost-of-living increase. We suspect from the past few months' rate increases, that the index number may be higher than 8.1 percent. Also, it is important to remember that the raise does not take effect until October. Often, the rate approved by Congress in the spring is much lower than the increase in CPI as of October 1. Consequently, we are already behind when the increase takes effect.

Therefore, we would request the committee and the Congress to pass a cost-of-living index for compensation consistent with the actual index.

We realize that this administration's philosophy differs from previous administration's relative to reductions in the Federal budget. However, the needs and disabilities of our blinded veterans have not changed.

For example, we believe there are several inequities in section 314 of title 38. I would like to call on George Stocking to address these inequities.

## STATEMENT OF GEORGE STOCKING, LEGISLATIVE COMMITTEE CHAIRMAN OF THE BLINDED VETERANS ASSOCIATION

Mr. STOCKING. Thank you, Skip.

It is our understanding that the criteria for establishing veterans disability benefits under section 314 are decided (a) by the Veterans' Administration from 10 to 100 percent, and (b) by Congress for the statutory awards; that is, special monthly compensation of K and above. I'd like to address several of the latter categories which we feel are inequitable and two of the former categories which you might work with in your oversight responsibilities with the Veterans' Administration.

First, at the present time an individual who is totally blind, having no light reception, is rated lower than individuals who have bilateral nucleation or who have deformed eyes or scarring of the eyes. A personal example, when I was first blinded, I was rated a paragraph N because I had one eye nucleated and the other eye was scarred and deformed. Yet, I had some ability to perceive changes in light.

Three years later, when I lost that ability I finally realized that I had been using that for mobility purposes. So, the individual who at that time was totally blind, having no light reception, was rated below me. I feel that this is an inappropriate inequity in most instances. In the areas of amputations or loss of extremities, it is "loss of" or "loss of use of." We feel that a person with no light perception is equally as blind as a person with his nucleation or eyes having deformity and scarring.

We would recommend that this committee introduce legislation to increase those people in that category to subsection N.

Second, we are concerned about the present rating schedule provisions on blindness in combination with hearing loss. It is obvious that when an individual is blind, hearing becomes a primary information intake modality. If you have a distortion of this hearing loss, it is more pronounced than in a hearing loss by itself. Yet, at present, with few exceptions, hearing losses are rated the same percentage as if they were by themselves when they come in combination with blindness. And we would recommend that this committee consider an alteration in this situation.

An equal situation is that where you have an individual with blindness and the loss of an extremity, a hand or a foot. The tactile sensation loss by that individual, and his ability or lack of ability to use that tactile sensation in dealing with his environment, makes it more of a pronounced handicap when in combination with blindness than if it were a loss by itself.

We have included legislation in our written testimony which has been previously introduced related to the loss of blindness and loss of hearing and the loss of extremities.

We'd appreciate the committee introducing this legislation so that it would counteract that inequity.

In addition, we have a situation under the rating code where individuals who have a loss of acuity and a loss of visual field in combination are rated for only one of those disabilities.

For example, an individual who has a 20-degree field of vision is rated at 50 percent. A person who has a visual acuity of more than 200 is rated at 70 percent. But the combination is only 70 percent. We feel that when a person loses both a visual field and a visual acuity, some criteria should be used in evaluating the additional disability that is incurred by that situation.

In addition, at present individuals rated for field loss: that is; the loss of ability to have peripheral vision, are rated inequitably. If they have a 30-degree field, which is one-sixth of a normal field, they are rated 50 percent. If they have a 15-degree field, one-twelfth of normal peripheral vision, they have a 70-percent rating. And there is no difference until you get to a 5-degree field.

We would recommend that an individual whose visual field is less than 10 degrees, 6 percent of the normal field of vision, be rated at 100 percent. An individual with a 10-degree field would be rated at 90 percent. With a 15-degree field he would be rated at 80 percent, and, with a 20-degree field, for which there is no rating at this present time at all other than the lower rating, he would be rated at 70 percent.

We urge this committee in their oversight responsibilities to discuss this with the Veterans' Administration.

In addition, we would recommend that the committee introduce legislation extending the lower tier R-1 aid and attendance to those blinded veterans who are rated paragraph N. This relates to double nucleation, no vision, and so forth. There are, as we understand from figures provided by the Veterans' Administration last September, 639 blinded veterans—maximum—in this category. Total blindness implies far more than just the loss of earning capacity. It suggests excessive financial loss relative to needs that individual has—needs for assistance, aid and attendance—transportation, reading services, and so forth. This makes it far more of a financial loss than what they might lose were they not employed.

We urge this committee to consider legislation that would permit the individuals rated under subsection N to receive the R-1 aid and attendance allowance.

In addition, we feel there's an inequity in the present pension awards. Since December 7, 1941, we have been at war for 15½ years. Yet, the pension recipients have a period of 20 years that they were considered eligible under wartime extensions.

We consider that the veterans who served in other peacetime years provided service equal to those individuals who served in times considered peacetime—after World War II, Korea, and Vietnam. We feel this is an inequity that should be addressed by this committee.

In 1967, the Veterans' Administration—after a lengthy study on the need for followup service to blinded veterans established the visual impairment service program. It did not provide any funding for this program, nor did it provide training for those individuals who were supposed to provide the service. In the VA medical centers 70 stations were established in 1967. At the present time, there are 77. Of these 77, only 18 have full-time coordinators. These coordinators are the individuals who are the catalysts and keep the program going.

Last year Congress did recommend that the VA provide 12 new positions, and those 12 were added to 6 previous to get the 18 that I mentioned. We would recommend that you consider in your oversight capacity the recommendation to the VA that they provide full-time VIS coordinators for all of the VIS teams that are in existence.

In addition, the Veterans' Administration budget has in it a recommendation that the subsistence allowance for veterans who are attending training under chapter 31 be eliminated. I don't think I have to mention to you the cost benefit of vocational rehabilitation. This is actually pennywise and dollar foolish, as far as we're concerned. To discriminate against the veterans in this way, so that it might discourage people to get into rehabilitation, is an inappropriate method to save money. The amount of money that a veteran can contribute to his taxation once rehabilitation has been conducted is far greater than the amount that would be saved by this small reduction.

One other thing, at the present time there are 27 blinded veterans who are double-hand amputees. We would recommend that the Congress give some consideration to the housing requirements of these individuals. In 1980, Congress passed legislation extending a $5,000 grant to blinded veterans and double hand amputees. I would think that the combination is a more catastrophic disability and it would be appropriate that some consideration to these few veterans be made.

I'd like to now turn it back to Skip for his comments.

Mr. **Sharpe.** I realize our time is up so I'm going to try and go through my 3 by 5 notes here a little quicker than I was going to.

I wanted to talk about DIC. Presently, this is a survivor's benefit. Presently, it's based on the rank of the person when in the military. Often, the extremely disabled veteran can live 30 or 40 years later. We don't believe that the rank is the appropriate basis. We believe that the rank of someone has nothing to do with what his income is or would have been had he not been disabled.

We believe that this should be figured on the basis of his disability. His survivors should receive half of what he was making, plus a dependent allowance.

The committee has held hearings on spinal column injury; $65 million was spent on prosthetics last year. Less than 1 percent was for blinded veterans. We believe a lot more can be done in the area of research for blinded veterans.

The BVA also conducted a survey on housing. Homeownership for a blinded veteran on a fixed income is a problem. Inflation and skyrocketing interest rates make it almost impossible for some of our younger veterans to buy a home. We sent out 3,000 inquiries and got 1,000 back already. This is not final. We're still getting them back.

But the survey has revealed some interesting information, so far. A good majority of the blinded veterans who already own houses, the older veterans, say they couldn't buy their house under present conditions with interest. They couldn't afford it. One-fifth of those surveyed are unable to buy a house today. Most could not afford a home improvement loan at current rates the way they are. The VA loans just went from 12 percent in 1979 to 16.5 percent today.

Twenty percent of our members surveyed were forced to move from their apartments because of condominium conversions. Another special problem that blinded veterans have is they tend to live in urban communities where transportation is available if they want to stay active and not dependent on somebody for everything. So this, once again, raises their cost.

There are many more statistics that I will not mention because of the time constraints. But, we propose that the VA be allowed to issue low interest loans to severely disabled veterans.

We are concerned, however, about another item in the proposed budget. A one-half of 1 percent users' fee will be added to VA home loans next year. That amounts to $94 million. Yet, it only costs the VA half of that to administer the veterans' loan program. We think this amount to be paid up front is more than a veteran can afford. Consequently even less people will be able to buy a house.

Thank you for your time and are there any questions?

[The prepared statements of Ellsworth Sharpe and George Stocking appear on page 55.]

Chairman MONTGOMERY. Thank you very much, Skip. Very strong testimony and we will look into the suggestions you made to the committee. I don't have any questions. Instead of recognizing each individual, if you'd like to be recognized, let the Chair know and he'll be glad to recognize you.

Mr. Brinkley?

Mr. BRINKLEY. Mr. Chairman, thank you very much.

I simply wish to express my appreciation to Skip Sharpe and to George Stocking for coming before our committee today, for having hosted the excellent breakfast this morning, and to indicate the fact that you seem to be practical people.

On page 2 of your testimony, you indicate that the paramount concern you have is the cost-of-living adjustment. And this well should be your paramount concern, because you point out on page 2 that the administration proposes an 8.1 increase in compensation payments. And, really, that might be fine. But you are suggesting that the CPI be used as the predicate for whatever that formula might be.

I simply wish to express my appreciation for providing emphasis to this and to assure you that your concerns are our concerns. We're going to be studying your statement even further, and during the year we hope to do a workmanlike job which will meet with your approval and with the approval of the American people.

Thank you both. Thank you all.

Chairman MONTGOMERY. Thank you, Mr. Brinkley.

The Chair recognizes the gentleman from Ohio, Mr. Wylie.

Mr. WYLIE. Thank you, Mr. Chairman. I want to congratulate you both for excellent statements. I might say that I was particularly interested in your statement with reference to the vocational rehabilitation program as it affects dependents' assistance, Dr. Stocking. I have a feeling that your statement will be well received by this committee and that the recommendation from OMB probably will not be followed, although I'd hesitate to say what the bottom line would be. But in my own case, I have empathy for what you say.

Mr. Sharpe, I think some of the things you recommend could be changed by the administration; couldn't they, rather than a change in law? Is that a fair observation?

Mr. STOCKING. Housing, loans. Low interest loans.

Mr. SHARPE. It requires congressional legislation in order for the VA to provide low interest rate loans.

Mr. WYLIE. All right.

Thank you very much, Mr. Chairman.

Chairman MONTGOMERY. Thank you.

If no other members have any comments or questions, we'd like to thank our witnesses for being with us this morning. We look forward to seeing you during this year and we will certainly consider the suggestions and recommendations you have made this morning before this committee.

And again, thank you for the very delightful breakfast.

Mr. STOCKING. Mr. Chairman, we'd like to express particular appreciation to you for having us here this busy week. We know that you're required to have a lot of your work on the budget completed by March 15 and we appreciate the opportunity to come before you at this time when the pressure is so very great on you.

Chairman **Montgomery**. It will help us to come up with some recommendations to the Budget Committee which we have to make in the next couple of weeks as you mentioned.

Thank you very much.

Our last witness this morning will be the Veterans of World War I of the United States of America, Inc. Mr. Roché is the National Commander. Mr. Don Pears is the National Legislative Director. Gentlemen, you may take your time and get comfortable and get your mike set. I know you do have to get to the Senate but I believe we'll have plenty of time.

I point out to the committee as I did last year that these gentlemen continue to look young or younger than they did the year before. Commander Roché has informed me that this might be his last year as National Commander.

I am not giving away ages, but I believe both these gentlemen are probably over 80 years of age because most of the World War I veterans now are in the category of 82 to 83 years of age. We welcome both of you, you distinguished Americans, and we would certainly like to hear your testimony in behalf of the World War I veteran and his or her dependents.

Mr. **Sawyer**. Mr. Chairman, I would just like to acknowledge Don Pears here, who is the former Speaker of the Michigan House. So he is not unfamiliar with these kinds of proceedings. Good to have you here, Don.

Chairman **Montgomery**. He's a delightful man. I can see how he could have served as the Speaker of the House from Michigan.

Mr. **Pears**. I fooled them.

Chairman **Montgomery**. He knows how to handle legislative matters. Thank you for that information.

## STATEMENT OF WINSTON ROCHÉ, NATIONAL COMMANDER OF VETERANS OF WORLD WAR I OF THE U.S.A., INC., ACCOMPANIED BY DONALD R. PEARS, NATIONAL LEGISLATIVE DIRECTOR

Mr. **Roché**. Mr. Chairman, and the members of this distinguished committee, we are certainly privileged, and it is a pleasure, believe me, for us to be here to speak to you and see you again. And we appreciate especially the dedication of you members who have stayed around long enough to hear testimony from the veterans of World War I.

I have a three-point presentation, and, with your permission, at the end of the testimony of the legislative director, Mr. Pears, I would like to just make a few short remarks, if you will accord me that courtesy.

Chairman **Montgomery**. Without objection, if you have any prepared testimony, it will be put in the record. Do you want us to hear from Mr. Pears now, Mr. Roché?

Mr. **Roché**. Not yet. I'm glad to see Mr. Hall here. I hope his cold is better. He's been suffering the same thing that I had, and it hung on for about 3 or 4 weeks, and it gets rough when you get to be 80 years old.

Mr. Chairman and members of the committee, I would like to have the pleasure of introducing to you the national president of our organization.

Mr. **Hall**. Mr. Chairman, could I butt in a minute. I just want the record to show I'm not quite 80 years old yet.

Mr. **Roché**. Did I say that? I apologize, Mr. Hall. I didn't mean to include you. I was wondering what was going on there.

Mrs. Martha Peterson, Mr. Chairman. I wanted you to particularly meet her. Mrs. Martha Peterson, our ladies auxiliary president.

And also the one who does all of the work in the ladies auxiliary which, by the way, has as many members as we have now, Mrs. Thelma Tomko.

And we still have here the sweetheart of World War I, Mrs. Patricia Hughes of the Stars and Stripes.

Now, without any more boners, I will introduce our national legislative director, Mr. Don Pears.

Mr. **Pears**. Thank you, Commander Roché. Mr. Chairman and distinguished members of the House Veterans' Affairs Committee, the day I would call to your attention would be D-day for H.R. 1918, a breakthrough, if you will. Somehow the figures "1918" have a tender significance for all World War I veterans, because, as you know, the first World War in which this country participated, ended in 1918, more than 63 years ago. I know, since I then was a so-called buck private in the rear rank at the age of 18 years and in France, where I had been serving in the Army with the first 100,000 who landed there with the American Expeditionary Forces in 1917.

Before proceeding further with my remarks, perhaps I should mention to you that not only did I serve in the Army in both World Wars—as a captain in World War II—but also, as has been mentioned previously, that I did serve 18 years in the Michigan House of Representatives, 4 years of which were as speaker of the house.

Two of the largest veteran organizations in the United States, The American Legion and the Veterans of Foreign Wars, with their hundreds of thousands of members, are on record favoring a pension for World War I veterans and their widows. Also, and this is important, the Jewish War Veterans Organization also has urged authorization of H.R. 1918. It is their contention that at least 200 or more World War I veterans are dying every day. They point out that those who still survive have been waiting patiently for the recognition due them these many years.

Members of this committee, some of the things I am relating to you today may seem repetitious, since you may have heard them before from one of your own Members of Congress or from some other person who has testified before this body. In my opinion, however, they have a definite bearing toward the importance of passing H.R. 1918 and certainly are worth repeating.

To comment further on the endorsement of this pension bill, you will recall that the Reagan-Bush veterans transition team also is on record recommending that World War I veterans and their widows be granted a separate pension, without limitations. With the tremendous support for this proposal among veteran organizations and the general public, as well as the large number of cosponsors of H.R. 1918—and I understand that that amount or number has now exceeded 200—can this or any other Congress in good conscience turn its back? We sincerely hope the answer will be a resounding no.

A pension of $150 per month can hardly be considered an overly generous amount. It figures out to about $5 a day, but for so many worthy and needy old veterans, it would at least help provide some improvement during the autumn years of their lives, and certainly would let them know that this country is grateful for the service and the sacrifices which they made while we were at war.

Speaking of dollar amounts of this proposed pension, some of you probably still remember the pay scale which existed during World War I. We received $1 per day for stateside service, and $1.25 per day while on duty overseas. Out of that meager pay, we helped our country further by buying war bonds and paying for our so-called war risk insurance.

How many of us are still around? According to the best information available, only 1 out of 12 of all World War I veterans are still alive. In my own American Legion post in Buchanan, Mich., where I reside, I am now the only surviving charter member still living, out of the 19 veterans who signed the charter in 1919.

And so, members of this distinguished committee, our time certainly is running short, and the authorization for H.R. 1918 should be passed this year. And then, if and when the funding may become available, the entitlement cost should be appropriated. Right now it is my understanding that the cost estimate in 1978 was around $2 billion. Today, just 3 years later, the cost is down to an estimated $1.2 billion. And so it goes, due to the extremely high mortality rate among our surviving World War I veterans. Each year the passage and entitlement of H.R. 1918 is delayed means considerably lower cost and fewer veterans still living to receive it. The eventual cost assuredly now will be well below $1 billion. Is that not a small price to pay to these deserving veterans and their widows?

Referring again to the high mortality rate among World War I veterans, it is not difficult to ascertain that in another 10 years, and more likely in another 7 years and 6 months, nearly every veteran of World War I will be gone, and the only World War I pension required to be paid at that time will go to the few widows who may survive.

So in closing, may I sum up? H.R. 1918 is a payment for service. It is for a total amount in an entire year that is less than many elective and executive officials receive in payment for their services for just 1 month. The average age of all surviving World War I veterans is about 87 years. Those veterans are the forgotten citizens of World War I who have been striving for recognition now for more than 50 years. They are the veterans who missed out on most of the veteran benefits which a generous country has provided since World War I, and which they very materially assisted in securing passage and entitlement. Veterans of later wars came home to many splendid readjustment benefits, but too many World War I veterans came home to breadlines and apple stands.

Today's Federal programs fail to service the basic needs of World War I veterans. It is estimated that at least 70,000 World War I veterans pass away each year. It is 64 years now since the first American soldier died in France.

Our bill, H.R. 1918, is now, as you know, in your subcommittee, awaiting a markup. We respectfully and urgently request that it be favorably reported to the Congress.

Thank all of you so much for your very courteous attention here today. In just a few months another Armistice Day—or Veterans' Day—will be upon us. So many veterans and their widows throughout these United States are looking to you, members of this committee, to help make that holiday a most memorable occasion for them.

The passage of H.R. 1918 will mean that America has finally recognized them, and they can rejoice in the knowledge that this pension is theirs.

Again, thank you for the opportunity to speak these few words before this very esteemed committee.

[The prepared statement of Don R. Pears appears on page 65.]

Chairman MONTGOMERY. Thank you, Mr. Pears, for that very strong statement.

Commander Roché, did you have anything else?

Mr. ROCHÉ. Yes, just a few short words, please, Mr. Chairman. Our legislative program for this year remains as solid as it has been presented to you and to the subcommittee, with the exception of two remarks that I'd like to enter into the record in regards to 151, the old Public Law 96-151. It is giving excellent service to the veterans of World War I, and we are very concerned over the administration's efforts to reduce possibly the benefits that we are obtaining from this health care that the Congress and this committee has so thoughtfully provided for us. So we are keeping our eye on, and will support any efforts to maintain the level of service in the VA hospital system, as we have acknowledged. It is very important to us.

One other point I'd like to bring out is this controversial $300 burial benefit that the Reconciliation Act of 1981 cut off for us. Many thousands of our people who are on social security, and who are drawing, possibly, a $5 Government pension—one of the major portions of their burial plans is that $450 that we used to get. And since this is only one of two benefits that are enjoyed by all veterans, all 25 or 30 million that are left, the $300 burial benefit is the only actual monetary benefit that every American veteran is getting. Well, now, that's wrong. And we need this. And we have a couple of bills in the Congress now, one by Mr. Hawkins, and, I understand, one by Mr. Cranston of the Senate, to replace this $300. Now, in our estimation, this was a monumental mistake. It was not objectively studied before it was enacted, and not enough information was given to the Members of this Congress as to what would be the repercussions of a slash of this kind. It is something that we, especially the non-service-connected veterans, have been depending on. So we urge you to consider this.

And one further point here in regards to testimony given at the VA hearing yesterday. When this problem first surfaced, I was there. It was in the office of Supervisor Kenneth Hahn, the county of Los Angeles. I was having a meeting with Commander Jack Flynt of The American Legion, and a report came into the office while we were all talking, that there are 30 veterans' bodies in the morgue. What are you going to do with them, supervisor?

Well, of course, he immediately called in his aides and started an investigation, and there was pandemonium there as to what was happening to the veterans' benefits.

Well, subsequently we identified four of those bodies as veterans. Some of the—there are still pending investigations going on—the county buried one of them, and we raised the money by private donations to bury the other three. So there were four veterans unclaimed that we buried in Los Angeles. I wanted to put you straight on that, because, as I say, I was there, and I saw the thing develop right from the very start.

So we appreciate very much and thank you for your patience in staying here. And God bless all of you.

Chairman MONTGOMERY. Thank you, Commander. And thank you, Mr. Pears, for that very strong testimony. I think this has been one of your finer days in testifying before this committee, that you had strong, to the point testimony. I'm glad you cleared it up for us for the record, that you were in Los Angeles County. As I talked about it yesterday, and as Ms. Heckler did, about the problems out there on the burial benefits.

I might point out to our witnesses that, of, what is it, 300,000? What's the number of World War I veterans now?

Mr. ROCHÉ. We have approximately 380,000.

Chairman MONTGOMERY. 380,000. And 135,000 of those are drawing some type of pension, and they are covered under the law, and their burial benefits have not been taken away. Our committee passed legislation under the Reconciliation Act that burial benefits would be based on the individual's income. A veteran with $20,000 would not be eligible. This was changed by the Senate. We compromised with the Senate on this area. You make some strong testimony on behalf of the World War I veterans. Our problem is funds. I do appreciate your mentioning what we did in the medical bill with treatment and help for the World War I veteran. The medical care, I assume, is better now, and is helping the World War I veteran on an outpatient basis as well as the acute cases. I think this is very important. We will take a look at it. I don't think the age limitation that Mr. Nimmo talked about is a problem, over 65, that will take legislative action. Where a person has the funds and is a millionaire, he probably shouldn't be coming into a veterans' hospital. It should be open for those who need help. But I don't think this Congress would take the strong action of just wiping out the figure of 65 years of age.

We have tried to improve the programs, for World War I veterans, drawing a pension. They do draw more than the average pensioner. The rates are increased at the same time as social security. So there have been some increases. But we do have a problem with H.R. 1918 because of the high cost. You just heard the Paralyzed Veterans speak. You just heard the Blinded Veterans. It's just a matter of priorities. But we will consider what you have suggested this morning before the committee. Mr. Brinkley.

Mr. **Brinkley**. Thank you, Mr. Chairman. Commander Roché and Mr. Pears, thank you both very kindly for coming forth today and giving us the benefit of your views.

Mr. Pears, if I could inquire about the Reagan-Bush veterans transition team to which you refer on page 2 of your testimony. That was a part of the team that was to do the transition between the Carter administration and the Reagan administration?

Mr. **Pears**. As I refresh my memory and recall it, I would think so. In substance, certainly, it is correct.

Mr. **Brinkley**. What I really wanted to know, is, is it an administration team, and not a veterans' team? It is a part of the administration that did reach those conclusions?

Mr. **Pears**. Right.

Mr. **Brinkley**. And do you know to whom that report was made? Your testimony indicates that they recommended that World War I veterans, et cetera, be granted the pension. Was that made just in a general report, or was it made to the Veterans' Administration, or what?

Mr. **Pears**. I am not positive. It was a long time ago, and I certainly recall reading it in the newspaper, and I know it was the truth, but I don't remember to whom it was made.

Mr. **Brinkley**. Yes; well I think so. I was just trying to get it clear in my own mind as to who had the report, and, really, what projections that they might have.

Mr. **Roché**. Mr. Brinkley, if I may, I can answer that for you. It was a public report made to the media. We understand that the conclusions of this transition team cited the legislative goals to the President and the Vice President. And this was one of the announcements that was made out of the World War I area.

Mr. **Brinkley**. And the participants on that team were, in fact, Reagan-Bush participants, reporting back to those people?

Mr. **Roché**. They were veterans, leaders of the various veterans' organizations. I wasn't there, and I don't know how they handled it, but it was just a meeting of the veterans' leaders, and they made their report, and it went to the media and the public.

Mr. **Brinkley**. I see. I was really wondering if it was from the veterans groups that this originated, or from the administration in one of its task forces.

Mr. **Roché**. It was the veterans groups.

Mr. **Brinkley**. I see. And H.R. 1918, is that the Glenn Anderson bill?

Mr. **Roché**. Yes.

Mr. **Brinkley**. I thank both of you gentlemen very much.

Chairman **Montgomery**. Thank you, Mr. Brinkley. Mr. Wylie.

Mr. **Wylie**. Thank you, Mr. Chairman. I think it is us who should commend you for your patience, Mr. Roché and Mr. Pears. You've been here for some time. I'm always glad to hear from you. You never cease to amaze me by the performance you give us. And we are always glad to have your testimony. I know of your interest in H.R. 1918. I've known of it for some time. I'll not comment on that beyond what our chairman has said.

I also know of your interest in having better health care facilities for veterans and what you have contributed over the years to see that we do have a health care system which is second to none. And you have contributed tremendously to our health care facilities.

And I also want to commend you for your active support of The American Legion and the VFW over the years. I've been a member of both for many, many years, and I know that many of your members from World War I have also taken an active position of leadership in those two organizations.

So we're glad to have you here, and thank you very much for your testimony.

Chairman MONTGOMERY. Mr. McEwen. Thank you for staying this morning, too. I want the record to show that we appreciate it very much.

Mr. MCEWEN. Thank you. May I make a comment on that, very briefly.

Chairman MONTGOMERY. All right.

Mr. MCEWEN. Mr. Chairman, I would just mention to the gentlemen on their testimony, that your organization and your position are so well understood and appreciated by those of us who are on the committee. I think virtually all of us are cosponsors of your bill. And I would just point out that, while we do have other committees that are meeting, perhaps it is a compliment to you that we understand your testimony, and, as Mr. Wylie said, your patience for not only this morning, but so many, many years in presenting your position. I know that some of the members did have to leave, but I appreciate, as the chairman has said, your excellent comments, and express our support, even though it is extremely frustrating as Members of Congress, to know that there are three other places in this building and the next building where my name is sitting there and I'm not behind it. You understand that.

Chairman MONTGOMERY. I'd like to recognize the distinguished gentleman from Texas, who is the chairman of the Subcommittee on Compensation, Pensions and Insurance, Congressman Sam Hall.

Mr. HALL. Thank you, Mr. Chairman. I'd also like to thank you two gentlemen for your splendid testimony. As you indicate, this bill is up for markup, and I'm going to tell you now, I am going to try to get it marked up one way or the other before this second session of this 97th Congress is over.

What will happen at that point, no one knows. We have a question of money, as everyone knows. I don't know what will happen in the full committee, but I promise you we will discharge out, what I consider to be, a constitutional duty to move any bill that has over 200 cosponsors.

I appreciate very much both of you gentlemen being here.

Chairman MONTGOMERY. Thank you, Mr. Hall. Mr. Pears.

Mr. PEARS. Mr. Chairman, off the record, might I make a very brief comment. A member of this distinguished committee is my own Congressman, Mark Siljander. I understand he was unable to be here today, but I would just hope that you or some other member of the committee would express to him my great pleasure in appearing before the committee. I'm just sorry that he was unable to be here.

Chairman **Montgomery**. Well, I'll appoint Mr. McEwen, who sits next to him, to let him know.

Well, thank you very much. If there is no further business, the chairman declares this committee meeting over.

[Whereupon, at 10:55 a.m., the committee adjourned.]

# APPENDIX

## PREPARED STATEMENT OF MICHAEL F. DELANEY, NATIONAL PRESIDENT, PARALYZED VETERANS OF AMERICA

Mr. Chairman and members of the committee, on behalf of the members of Paralyzed Veterans of America, it is an honor for me to present the legislative views and concerns of PVA. I am Michael F. Delaney, National President of PVA.

Mr. Chairman, I would like to explain briefly the nature of Paralyzed Veterans of America. PVA consists of over 11,000 members, all of whom have experienced spinal cord injury or dysfunction. It was formed immediately after World War II and in 1971 received a congressional charter, making it a veterans' service organization capable of processing claims for veterans at no cost to them.

PVA has 35 Chapters located throughout the nation with members residing in all fifty states, the District of Columbia, Puerto Rico, and Mexico. PVA's membership consists nearly equally of service-connected and non-service-connected disabled veterans. Many of our members served in the military during World War II while others have only recently been discharged from the military for their disabilities. In short, PVA serves a very diverse veteran population whose outstanding common trait is spinal cord injury or dysfunction. During its 35-year history PVA has developed a good understanding of the veteran population and the variety of programs administered through the Veterans Administration.

Our internal structure consists of four major Programs. As mentioned, we have an active Service Program dedicated to serving veterans, whether or not they are PVA members. Additionally, PVA, which is politically non-partisan, has a Legislative Program dedicated to monitoring the activities of Congress and the Administration, and an Advocacy Program which works to ensure program implementation of federal and state laws dealing with the rights of disabled citizens. Finally, PVA has a Research Program of which we are especially proud. Annually it provides nearly half a million dollars for health research and health-care education projects. Funds to support this Program are raised and contributed by PVA. Through this Program, PVA and Stanford University, for example, created the nation's first Chair of Spinal Cord Injury Medicine, an educational pursuit which should benefit veterans and non-veterans alike.

PVA understands that veterans programs not only serve the recipients of services and benefits, but also serve the entire nation. Veterans programs are an incentive to young men and women to render service to the nation. While we believe that most Americans do not need to be induced into rendering such service, we recognize that in today's competitive and financially draining world, the average citizen needs special compensation for disrupting his personal life to render this valuable and unique service.

Mr. Chairman and Members of the Committee, PVA's purpose today is to present to you our observations on needed changes in veterans programs so that these programs will more fully and efficiently serve those Americans who are eligible to participate in them. We seek for those most in need to receive the greatest consideration from the government, based on the sacrifices they have made for the nation.

This testimony is intended to address long-term issues of concern to the nation's 30,000,000 veterans and their families. However, I must interject PVA's observations on the budget considerations which are taking place at this time, because these considerations affect the functioning of each program administered by the Veterans Administration. The Carter Administration consistently proposed budgets which were too low to allow the VA to operate optimally on behalf of veterans. Regrettably, because of the statutory construction of veterans programs, budget restraints are automatically reflected by reduced health/care and medical services for veterans. The VA's Department of Medicine and Surgery's budget is less protected than are the budgets of other VA Departments, despite the clear need for adequate funding for the VA health-care system.

The Carter Administration proposed for Fiscal Year 1982 a VA budget which was barely adequate. The Reagan Administration sought to reduce this budget by

$744,000,000. The Administration's proposed budget would have eliminated 3,200 employee positions in the Department of Veterans Benefits by Fiscal Year 1983. Even more glaring is that many beneficial health-care programs authorized by Congress would have been inadequately funded or would have received no funding at all. For example, despite Congressional intent during the 96th Congress to improve the VA's recruitment and retention of VA health-care professionals, the Reagan Administration sought to eliminate 1,100 health-care personnel positions in calendar year 1981, and 20,000 positions were to be abolished by 1986. There was to be no funding for The Vietnam Veterans' Outreach Program in Fiscal Year 1982, nor was there to be funding for the improved vocational rehabilitation program. These two programs, rehabilitation and Outreach, serve very useful purposes and work toward making life more meaningful for service-connected disabled veterans and for veterans who have experienced severe trauma in service to the nation. Both programs would pay for themselves many times over, if implemented fully, because these veterans would again become productive members of society and contributing taxpayers.

Furthermore, older veterans have special needs and Congress recognized this when it expanded the VA's Geriatrics Research, Education, and Clinical Centers Program. The Reagan Administration, in Fiscal Year 1982, proposed not funding this improved program, and the VA's Fiscal Year 1983 budget request contains no funding for expansion of the GRECC Program.

Finally, the Administration wanted to delay all hospital construction within the VA for at least two years and many projects would have been permanently abandoned. Delaying construction projects for two years would have cost the government an estimated additional $56,000,000 due to the continuing rise in construction cost. Several of the projects which the Administration succeeded in abandoning, such as the Baltimore, Maryland, facility, already had several million dollars spent for designing them, and others were already having work done on them.

The political processes which surrounded the Gramm-Latta bi-partisan budget, for Fiscal Year 1982, which was finally adopted by the Congress and accepted by the Administration, are now history. The Chairman, Ranking Minority Member, and Members of this Committee deserve special gratitude and recognition for working to ensure that the Fiscal Year 1982 budget which was adopted provided more adequately for the VA and reinstated about $400,000,000 of the cuts which the Administration sought.

This victory brought little immediate success, for Fiscal Year 1982 budget purposes, because the Administration largely accomplished its goal of reducing the VA budget. It did indirectly that which it was unable to do directly. First, the Administration, through the Office of Management and Budget, proceeded with a series of VA medical facility rescissions and deferrals, whereby funds already appropriated or budgeted by Congress were denied to the Veterans Administration. Secondly, the Administration's threatened veto, combined with political maneuvers by some Members of Congress, delayed implementation of the Fiscal Year 1982 HUD and Independent Agencies Appropriations Bill until late December 1981, or one quarter into Fiscal Year 1982.

Delaying implementation of this and other appropriations bills was used to reduce federal spending, because it allowed many federal Departments, Agencies, programs, and services to be funded at then-existing levels and not at higher ones which were to offset rising inflation. The VA, like other parts of the federal government, suffered from the continuing appropriations process because programs were not funded at the increased level which were needed due to the rising costs of operating the VA's programs. For example, on November 23, 1981, the VA was forced to shut down all but essential services. However, the VA was more fortunate than were many other federal agencies and programs, because Congress saw fit to fund the VA, during the use of continuing appropriations, at levels more nearly approximating that of the fiscal year 1982 appropriations levels.

On February 8, 1982, the Administration released its fiscal year 1983 budget request. It was pointed out earlier that Congress' increasing funding for the VA during fiscal year 1982 brought little immediate success; however, there were long-term benefits, as evidenced in the new budget. At a time when spending in most federal programs is being drastically reduced, it appears that the Administration's budget recommendation for the VA will basically hold VA benefits and services at existing levels. The VA will see some reductions, though, because of inflation and because the VA will be required to provide for its employees' pay raises out of the budgeted amount.

PVA is supportive of the overall funding levels proposed for the VA, in light of the fact that most other programs, except for defense, have been drastically reduced in the President's budget request. Some of the most significant provisions of the

Administration's VA budget request deserve mentioning, briefly: Budget Authority is increased by $867 million over fiscal year 1982 levels, there is to be a net gain of 955 VA employees, and income maintenance benefits for service-connected disabled veterans and their families are to be increased by 8.1 percent, which should, based on most economic predictions, offset inflation's effect on such persons.

PVA is grateful to each Member of this Committee for your past advocacy on behalf of the nation's veterans, and we recognize that without this needed support the Administration would have recommended less funding for the Veterans Administration.

We understand the importance of all Congressional authorizing Committees, especially this one. Without the knowledge and expertise of the Members of authorizing Committees any given program would not receive the needed consideration by Congress. And, PVA recognizes that this Committee continuously examines veterans programs and services and makes recommendations to the full Congress for their adjustment, and it knows what amendments are needed to make the programs better serve veterans and to keep spending for those programs within reasonable bounds.

The Administration's fiscal year 1983 VA budget request seems to bypass, to a large degree, the Committees on Veterans' Affairs in their authorizing capacity, and makes specific legislative requests which the Administration assumes will become law—no alternative budget recommendation is made, should the Committees and Congress fail to pass the Administration's legislative proposals.

PVA draws two conclusions from this single fact: first, the Administration, which has shown itself to be especially politically astute, has examined Congress and has found it sufficiently supportive of its measures, so that it can make these assumptions. Second, should the Administration's assumption concerning its control and/or influence over Congress prove to be incorrect, the Administration's proposed VA budget is not an accurate assessment of the funding requirements which the VA will experience during Fiscal Year 1983. It is possible therefore that Congress must either provide inadequate funding for the VA or make supplemental appropriations. Under the former possibility, veterans programs would receive less funding, and under the latter approach the federal deficit would increase by the amount of such supplementals, causing the Administration serious concern and thereby raising once again the likelihood of Presidential opposition to the VA budget.

PVA does not know whether Congress will adopt the specific legislative proposals which have been suggested by the Administration and which are included in the budget request; however, we do know that their inclusion, in such an adamant manner, indicates the Administration's lack of recognition of the important role of the Senate and House Committees on Veterans' Affairs. Should they be bypassed, and should they fail to approve the Administration's legislative proposals, the budget process is likely to become very turbulent, with the VA receiving less funds than are needed. A more reasonable suggestion is that the Committees be allowed to work within the predetermined budget amounts, but that they, not the Administration through the Office of Management and Budget, determine what adjustments need to be made in veterans services and what programs can realistically be restructured.

In examining the Administration's larger federal budget request, PVA has some serious concerns for the burdens which will be placed on the Veterans Administration because of the reductions in social programs. A brief examination of this matter is certainly warranted because PVA anticipates that the VA will be tasked with providing services for many eligible Americans who have previously received health care and medical treatment through other non-VA, federal programs or who have used non-VA sources of educational assistance and rehabilitation training, or who have relied on non-VA income maintenance programs.

For the purposes of this discussion the VA budget should be considered as one which will maintain the status quo, with no major changes in spending. It represents one of the three types of budget arrangements contained in the Administration's budget proposal.

A second type of budget is proposed in the Administration's Five-Part Budget Savings Plan, which constitutes one of the administration's most sought-after goals. It would in part reduce spending for "discretionary" programs by $14.2 billion. Discretionary programs include, for example, training and employment programs and vocational education and rehabilitation funding grants. Education assistance is to be reduced by $2.2 billion, and rehabilitation grants are to be cut by one-third. Furthermore, the Administration's fiscal policy would consolidate employment and training programs into block grants, which means that the states would be responsible for administering these programs.

Closely akin to the discretionary programs discussed above are the non-VA entitlement programs, and under the Administration's budget proposal they, too, would have reduced funding in Fiscal Year 1983. Medicare and Medicaid funds are included in this group, and they are to be reduced by $5.1 billion; cash assistance and nutrition will be cut by $4.6 billion; guaranteed student loans will be curtailed by $1.1 billion; and federal retirement spending will be reduced by $0.9 billion.

Many of the same persons, and their families, who will feel the impact of reductions in the discretionary programs, as outlined in the Administration's Five-Part Budget Savings Plan, will also be the ones most affected by cuts in the entitlement programs. PVA anticipates that many individuals who have received health care and medical treatment under the Medicare and Medicaid programs will turn to the VA for care, even when VA facilities are not conveniently located, because it will be their only source of needed services. along these same lines, newly disabled veterans will probably seek VA rehabilitation care sooner than they have in the past, because non-VA sources will not be readily available.

The third budget example, for this purpose, is defense spending, which will receive the greatest consideration of any program in both real terms and in relation to funding contained in past defense budgets. An example of its magnitude is that 9.4 percent of the total is for research, development, test and evaluation, which is a single function. This defense function, alone, is to receive $24.3 billion, or a sum almost as large as the entire budget for the Veterans Administration. Under the Administration's budget, no program will benefit as much as defense, but the VA will fare better than will most of the social programs.

This brief, three-part analysis of the Administration's budget proposal explains one of the most commonly-heard oppositions to the budget proposal, that it funds defense disproportionately to all other federal programs, and that many programs which have benefitted large numbers of Americans will be curtailed or effectively abolished. PVA, likewise, has serious reservations: first, the VA budget request does not anticipate that there may be shortages, and shortages would result if Congress fails to approve the Administration's legislative proposals. Second, it disregards the importance of the authorizing role of the Committees on Veterans' Affairs, when it sets legislative aims for them. Finally, it does not recognize the very strong possibility that in curtailing certain social programs it will increase the responsibilities of the Veterans Administration. At the same time, the budget proposal makes no added funding available for the VA's use. The VA will be authorized to treat a projected increase of only 4,000 inpatients during Fiscal Year 1983, which is likely to be an insufficient expansion of the VA health-care system in light of shrinking non-VA services.

Every veteran has made sacrifices, whether he has served in actual combat or has disrupted his personal goals in order to wear the uniform during times of war or of peace. PVA will agree with those who wish to reduce the federal budget that most veterans do not require extended services from the VA. We also know that most veterans do not routinely use federal programs; however, veterans who have been beneficiaries of other federal programs are likely to turn to the VA as those other programs and services are reduced and/or administered by the states.

Mr. Chairman and Members of the Committee, last year, during presentation of PVA's annual statement of legislative concerns, PVA called for the establishment of a Presidential Commission to examine the VA budget and the programs which could be curtailed with least harm to veterans. This request, which was not granted, was made at a time when the Administration sought to reduce the VA budget by $744 million and to specifically curtail the VA's Department of Medicine and Surgery budget by $400 million. As part of this proposed reduction, the Administration sought to curtail the VA health-care system by 1,500,000 outpatient visits. And, it made these budget determinations at a time when there was no Administrator of Veterans Affairs to express to the White House that the President's agent, the Director of the Office of Management and Budget, either did not understand the VA's programs and functions or, worse still, deliberately chose to ignore the Agency's needs.

As noted, the Administration largely achieved its goals of reducing VA expenditures, by means of rescissions and deferrals, and by not supporting a Congressionally-approved appropriations bill until one-quarter into the fiscal year.

Despite the fact that the Administration has not made such a blatant attack on the VA during the fiscal year 1983 budget proposal process, there remains the need for establishing this Commission, and PVA at this time asks the Committee to adopt this proposal.

On December 27, 1981, The Detroit News endorsed PVA's suggestion for the Commission. The Commission, to reiterate some points raised a year ago, would make suggestions to Congress and to the Administration on resource allocations and needs within the Veterans Administration. This Commission should consist of representatives from the Congressionally chartered veterans service organizations because, as Congress has realized in the past, these are the organizations which serve veterans. These organizations are not special interest groups but are providers of services to both their members and to any veteran seeking such services. Special interest groups do not serve such broad constituencies, and Congress and the Administration would in no way be giving preferential treatment to a small group of citizens by creating such a Commission.

The Commission should also consist of a representative from the Office of Management and Budget, because this office advises the President on budgetary matters and controls spending for all programs. Finally, the commission should consist of representatives from the Veterans Administration, the Agency with expertise in veterans affairs.

The Commission would report to the committees on Veterans' Affairs of Congress periodically so that these Committees can more accurately assess changes in veterans programs in light of the views of the Administration and of the needs of veterans. Also, the Commission could report to both Chambers of Congress, so that the full Congress can make more knowledgeable appropriations for the VA's functions.

The Commission's specific goals could be determined for it by the Congress and the President. Its goal could be, as the most extreme example, to reduce the VA's expenditures by a given amount. The Commission could then aim toward helping Congress and the Administration accomplish this goal in a manner which will create less harm for veterans.

One of PVA's observations, as a possible member group, would be that the non-service-connected disability pension program has been expanded to cover too many potential beneficiaries. We pointed out during consideration of the "Pension Reform Act of 1978" that if the program was broadened, as it ultimatley was, there would be insufficient funds to provide for veterans who are actually disabled, and not merely approaching an advanced age. As PVA has stated before, the presumed disability of older veterans is a disservice for two reasons: it creates emotional problems for them, and it consumes funding which could be used to provide more adequately for the ones who have serious disabilities. Because of society's shrinking economic resources, rising unemployment, and the advancing age of millions of veterans, combined with the contraction of other resources such as Social Security and Medicare and Medicaid benefits, PVA anticipates that the burdens placed on the VA's Non-Service-Connected Disability Pension Program will increase at an unprecedented rate. It is well worth noting, too, that detractors who justify budget cuts in the VA (notably the Director of the Office of Management and Budget) do so by labeling veterans "sacred cows," and they refer most often to this broadened pension program.

Obviously, should the Commission be formed and should it discuss the issue of pension reform, there would be differences of opinion, and some veterans service organizations may justifiably oppose PVA's position. Nonetheless, there would be an examination of the VA's growing responsibility, the lack of resources with which to deal with it, and a search for responsible solutions.

An example used last year in PVA's call for establishment of the Commission was that the Administration had proposed regionalization of veterans claims adjudication centers, without giving adequate consideration to the increased time of process in veterans claims which would result. While improving efficiency is a commendable goal, PVA pointed out that there was a noticble avbsence of a VA Administrator when the policy decision was made, and the Director of OMB seemed to be more concerned with blanket spending cuts, not with saving money in a reasonable manner while continuing to provide needed VA services.

The Commission, it is anticipated, would find many opportunities to work harmoniously with the Administration, and we do not aim for it to become merely a forum in which the various veterans service organizations, PVA included, would pursue their individual goals without considering reasonable alternatives. An example of where the service organizations and the Administration could be expected to agree on an ultimate goal has appeared in the fiscal year 1983 federal budget proposal. This portion, entitled "Management Initiatives," is a segment of the Five-Part Budget Savings Plan and aims to make system-wide changes, thereby saving the Federal Treasury $20.3 billion in fiscal year 1983. It would accomplish savings through a variety of measures, such as collection of delinquent taxes owed to the government, improved transfer of surplus government property, disposal of certain public lands, assertive debt collection procedures, and a number of very complex corporate tax collection measures.

While the veterans organizations, through the Commission, would not offer comments and analysis on these broader issues, we could work with the Administration and the Congress to recognize improved management initiatives in the Veterans Administration, which would be in compliance with the Administration's governmentwide drive for improved, more efficient management.

For example, the Administration's budget request for the VA contains a "management initiative," the collection of a ½ of 1 percent loan processing fee in fiscal year 1983 on all VA home loan guarantees. PVA opposes this measure, as a user's fee for veterans benefits; moreover, we especially oppose it since the proceeds of the proposal, $94.6 million in receipts, will go into the general fund of the Federal Treasury and not into the VA's budget, which was the ultimate source of origin. PVA would oppose the proposal whether funds went to the General Treasury or the VA's account; however, it would seem to be a more appropriate management incentive if the funds saved or accrued went to the relevant agency, for use by it in programs which it has identified as needing funding.

Another example of where no management initiative has been suggested, but where one perhaps would be productive, is in Veterans Administration hospitals. Presently, should a VA hospital administrator save the system money through improved efficiency, his particular hospital would realize no flexibility and could not direct the saved funds into areas which he recognizes as requiring additional funding.

PVA certainly is not implying that VA hospitals are being run inefficiently: to the contrary, we feel that the VA system is especially productive and that individual hospital administrators are some of the finest in the nation. We offer this comment to show that even if an individual administrator has been especially efficient in his functions, he has nothing except veterans' gratitude to show for his ingenuity. The Administration, on the other hand, has formed a commission of private business representatives which is to examine efficiency in government. PVA thinks that they will find that the lack of economic incentives will be found to be a major cause for what the President assumes to be rampant waste.

The President's task force or commission to examine waste and inefficiency represents an advisory group similar to that envisioned by PVA for the veterans programs. But, our suggested commission would be more specialized, more familiar with the functions of the Veterans Administration, and equally as dedicated to serving veterans and the nation by improving the allocation of resources.

PVA feels that unless Congress and the Administration employ long-term planning such as that proposed here, the VA will continue to exist under the shadow of confusion and will not perform sufficiently to satisfy the Administration. An example of this tumultuousness is that health-care personnel, when they examine possible employment with the VA, are discouraged by its perennial uncertainty and lack of planning. If the present system is continued, it is the individual men and women who have served the nation who suffer.

Confusion has surrounded the VA budget for at least the last five years, and its budget has been reduced, in real dollars, each year. The Carter Administration, like the present one, gave little consideration to the relative merits of the VA's programs when it failed to fund the VA adequately. The present Administration has repeatedly compared the federal budget to an individual's personal budget, and it concludes that neither can continuously spend beyond its means. We do not argue with this metaphor, but we do recognize that when an individual seeks to reduce his grocery bill he does not suddenly cease buying food or deny family members subsistence. PVA beseeches this Committee to work for creation of a President's Commission aimed at providing the Administration and the Congress with coherent, well-thought-out plans for allocating VA resources. Only then can budget restraints be realized in a manner which will not harm veterans who are eligible for VA services and/or who rely on non-VA programs, and who are sincerely in need of those services.

During the assessment of federal policies during the Second Session of the 97th Congress, PVA hopes that the Members of Congress recognize the inherent value in veterans programs. Without the assistance of veterans programs many willing and capable young Americans simply cannot afford to serve voluntarily in the Armed Forces of the United States. Furthermore, existing veterans programs are intended to meet the needs of those who have already given of themselves for the nation.

PVA feels that the nation and its government must continue to recognize that veterans programs are indispensable to the national security and at the same time are necessarily distinct and apart from the efforts of the Department of Defense. We have found that technologically advanced armament is virtually worthless without talented, dedicated individuals to operate it, and our mammoth ships have not had crews sufficient to take them out of port. PVA recognizes that this is a complicated matter arising out of the need for senior enlisted men, but it is widely known that there has been a shortage of qualified recruits, also. The past few months have seen improved recruiting successes, but should the nation's economy improve significantly it is probable that recruitments will drop to their previously inadequate levels, and improved veterans benefits will again become a direct, essential part of our nation's security.

I realize that making these statements in defense of veterans programs to the Members of the Committee on Veterans' Affairs is much like preaching to the already-converted. But, we remain uncomfortable because the past Administration and certain Members of Congress appeared ready at times to sacrifice the Veterans Administration and its programs. We also know that this Administration is propelled by an OMB Director who has expressed his contempt for veterans programs on a number of occasions. This was recently reinforced in the Administration's legislative requests and in the disregard for the Committees on Veterans' Affairs.

Members of this Committee worked tirelessly during the 96th Congress to improve various programs which affect the lives of millions of veterans. These accomplishments were made despite budget restraints and adverse conditions. This Committee provided legislation which PVA feels would improve recruitment and retention of health-care professionals by the VA's Department of Medicine and Surgery. After reporting the proposal the Committee's Members collectively and individually worked to persuade the larger Congress that such improvements were needed if the VA is to maintain a viable health-care system. The Members again fought for implementation of the Health-Care Amendments of 1980 and orchestrated a Congressional override of the Presidential veto to this legislation. Now, no funds are to be provided for the nursing scholarship program and none have ever been spent for the physicians' scholarships authorized in the legislation. Hence, the Administration's budget request is only a stopgap measure which does not give long-term consideration to the staffing needs of the Veterans Administration.

The Members of this Committee have been supportive of the varied and complex health-care needs of all veterans. For example, younger veterans have seen the authorization of the Vietnam Veterans' Outreach Program and some considerations have been given to possible Agent Orange related health care problems. You have also addressed the problems associated with aging and authorized Geriatrics Research, Education, and Clinical Centers, a program which is increasingly needed for the well-being of the nation's veterans. Yet, the program's expansion has not been funded. The Members of this Committee have eloquently and forcefully spoken for adequate funding of these and other programs, and PVA is very appreciative for this essential advocacy by you.

Educational needs of veterans have received your consideration, also. Because of your efforts we feel that the VA's program of rehabilitative services for service-connected disabled veterans could become exemplary; however, the FY 83 budget request de-emphasizes rehabilitation and reduces availability of benefits for veterans who are undergoing rehabilitation, as well as for their family members. It was meant to be a comprehensive program resulting in gainful employment for disabled veterans, and we trust that Congress will not forsake this beneficial, productive program, particularly during this time of reduced national productivity and rising unemployment.

Paralyzed Veterans of America is grateful for the many beneficial changes which have been made to Title 38, United States Code. The dedication to veterans repeatedly shown by this committee and the cooperation and assistance extended to PVA by the Committee's capable staff are sincerly appreciated.

PVA will be supportive of the Committee's efforts throughout the Second Session of the 97th Congress as it works to defend and improve veterans programs. We recognize that this Session will likely see a review of veterans programs and we welcome the investigation. Our only request is that these programs be weighed on their merits. This testimony is a statement of changes in veterans programs which PVA considers to be needed: we offer it in the hope that this Committee will regard these suggestions as it conducts oversight investigations and makes legislative proposals, and as the Fiscal Year 1983 budget is designed. You will find that PVA's proposals would, in certain examples, call for increased expenditures to be made the the Veterans Administration: others, however, are aimed at reducing the cost of administering veterans programs. Our goal is for improved programs and services to be administered where they are needed in an efficient and cost-effective manner. The following recommendations are dedicated to this end.

## VETERANS ADMINISTRATION HEALTH-CARE SYSTEM

### *Funding for Veterans Administration Health-Care System*

The Department of Medicine and Surgery (DM&S) of the Veterans Administration has been subjected to overt and covert attacks during recent years. First, there has been a move described as "cost containment," and it was supported by certain Members of Congress and the past Administration. This policy would have subjected VA hospital construction projects to approval by local, nonelected health-care reviewing boards made up largely of representatives from private hospitals. This attack on the VA health-care system has, so far, been thwarted due to the diligence of the Members of this Committee. However, it remains frightening that dismanteling the national VA health-care system for the benefit or local and private hospitals has achieved significant support.

Second, the Office of Management and Budget (OMB) has at times withheld needed funding for VA health-care programs. This action has come after Congress authorized such programs and provided for them through appropriations. An example of this disregard for Congressional intent come in 1980 when OMB directed the VA Administrator to use funds appropriated for hiring additional health-care personnel to give pay raises to already-employed personnel. Consequently, the VA was unable to hire needed employees for which Congress had generously provided. This Committee then approved legislation requiring OMB to provide funding for new hiring whenever Congress so appropriated.

During the First Session of the 97th Congress this Committee was again provided evidence of the attitude OMB maintains towards the VA health-care system.

The VA was ordered to begin cost comparison studies under the provisions of OMB Circular A-76. This action was aimed at the goal of replacing federal VA employees with private sector contractors. The cost of these unanticipated studies has been estimated a $26,000,000. PVA wishes to express its appreciation for this Committee's actions in Section 601 of Public Law 97-66 which had the practical effect of preventing further implementation of OMB Circular A-76 within the VA's Department of Medicine and Surgery. By specifying that funds for VA medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses cannot be used for A-76 comparison studies the Committee has once again indicated that funds appropriated for the benefit of veterans are to be utilized by the VA for patient care.

PVA would like to thank this Committee for passing this important legislation aimed at protecting the VA's Department of Medicine and Surgery. However, we must stress that the battle is far from being won: Va health-care facilities remain inadequately staffed, and eligible veterans in need of inpatient care frequently must wait inordinate periods of time for admission. This is a chronic problem which occurs at VA facilities.

There is no indication that the availability of health-care services for veterans will improve. In fact, unless there is dedicated action by this Committee, the Congress, and the Administration VA health-care resources will be further eroded. While there are 30,000,000 veterans, and approximately half are approaching the age when medical and health-care services are becoming especially important, it is unconscionable to allow this deterioration in health-care services.

PVA wishes to thank this Committee for its efforts in securing passage of Public Law 97-72, which was signed by the President on November 3, 1981. Subchapter IV of Public Law 97-72 specifically indicates that the Administrator shall establish the total number of authorized hospital and nursing home beds at not less than 100,000. Also, the Administrator shall operate not less than 90,000 of combined hospital and nursing home beds. Additional requirements of analysis and recommendations concerning the adequacy of the established operating bed levels, and geographic and demographic studies to be utilized by the Administrator in preparing an annual report to the Congress, should enable this Committee, the full Congress, and the Administration to provide adequate funding for VA health care.

### *Perceptions and attitudes*

The result of these past actions aimed at dismantling the VA Health Care System or reducing its availability and efficiency are a continuing cause of concern to the veterans of this country. This concern has been increased because of many recent statements appearing in the national press. Important members of the Administration, including VA Administrator Robert P. Nimmo, as well as Members of Congress, have indicated a special concern about older veterans who qualify for medical care at age 65. Reports in national magazines such as *Newsweek* and *U.S. News and World Report* seem to indicate an anticipated failure of the ability of the health care system to meet its obligation to provide the best care possible to eligible veterans. This focus comes at a time when fiscal constraint is reducing other, alternative health care to the American public through the budget process. At the same time the economy is such that many veterans are losing private health-care benefits due to unemployment. The end result is a greater reliance on the VA system by veterans at a time when its capability is questioned.

When quotes such as "What do you do? wonders Robert Nimmo, the new head of the VA. 'Is a veteran entitled to the absolute best care no matter what the cost, or to something in between?' " appear in print, this nation's veterans feel anxiety. We hope the Committee will give the Administrator ample opportunity to more completely express his concerns. Also, we hope that the Administrator will indicate his specific recommendations in some detail. PVA understands that Mr. Nimmo has explained his statements as being required to make sure Congress understands the problem the VA foresees, and to enable the Administrator and the Congress to take appropriate and timely action. We would hope that this Committee will understand the perceptions and attitudes of concerned veterans. PVA believes the Committee should be the first to allay veterans' fears by a firm statement of its intent both to maintain a viable VA health care system and ensure that those eligible will receive the best possible care.

There are several specific proposals PVA would like to make in addition to this more general but urgent request for a strengthened, viable VA Department of Medicine and Surgery.

### *Staffing needs in spinal cord injury centers*

The historical trend of personnel understaffing and long waiting lists for admission affects Spinal Cord Injury (SCI) Centers as well as other areas of the VA's health-care system. In VA SCI Centers there is a reliance on part-time professionals when there is a shortage of VA SCI personnel. (It is fortunate, however, that many of the Centers are co-located with medical colleges and have part-time personnel available.) The shortage of full-time personnel results in negative effects on the medical care extended to SCI veterans. Because of these factors, eligible SCI patients are either having to wait to receive needed treatment when SCI personnel are unavailable, or are often experiencing the negative effects of being treated by a variety of rotating medical students and faculty members. This turbulence in personnel results in duplication of many medical consultations and places a further burden on the SCI professional personnel who must spend the extra time to update rotating residents and other staff. This takes away from the time they have to perform "hands-on" care of the SCI veteran. Also, many SCI professionals seek transfers to other areas, where patients require less immediate and constant medical care due to the pressure involved.

PVA understands that the Chief Medical Director (CMD) and the Deputy Assistant Chief Medical Director for Nursing Programs are working to correct certain deficiencies the VA faces in the recruitment and retention of nursing personnel. PVA supports VA initiatives aimed at increasing the number and quality of RNs and LPNs through programs, such as the compressed workweek. Experiments are being conducted under the Flexible and Compressed Work Schedules Act (Public Law 95-390) at three VA medical Centers—Ann Arbor, Wadsworth, and New Orleans. The results of this experimental program, which is due to end March 29, 1982, should receive careful scrutiny by this Committee and there should be appropriate legislative action. The VA indicates that as of August 1981, 165 VAMCs have indicated a desire for compressed work week schedules. We are particularly concerned about the absence of funding in the Administration's fiscal year 1983 Budget for continuation of the VA program to provide for nursing scholarships. And, PVA hopes the Committee will work to rectify this situation. Other legislative action may also be required to implement nurse recruitment and retention programs within the VA health care system. PVA advocates providing the VA with up-to-date policies in this critical area. Also, PVA believes that positions for RNs, LPNs, and other health care personnel should be upgraded for those who serve in SCI Centers. Patient care in SCI Centers is more intensive, time consuming and rigorous and the dedicated personnel who serve there should be compensated accordingly.

### *Establish additional spinal cord injury centers and provide long-term care beds*

There is a drastic need for the establishment of additional Spinal Cord Injury Centers in the VA System. It is well established that supportive family members can greatly help SCI veterans through the recovery process. They are fundamental to encouraging the veteran to benefit from therapy and, ultimately, to succeed in a rehabilitation program. Quick recovery is essential to the SCI patient and closeness to family members has proven to aid this progress. On the other hand, prolonged hospitalization poor adjustment, and abandonment of rehabilitative services increase the veteran's personal trauma. (PVA's observations are shared by the Veterans Administration in its studies, "The Spinal Cord Injury Program Plan: fiscal year 1980–1987," and "*Estimated Bed Requirements of the Spinal Cord Injured Veteran*, 1985–1990.")

The "Spinal Cord Injury Program Plan" is a broad analysis of the VA's SCI program (to include staffing needs, medical specialties required, and other appropriate health-care matters), and at the very core of the study is the assumption that VA SCI Centers will be placed where needed in order to better serve veterans who experience spinal cord injuries. It is important, also, that at the time of publication there were only 14 non-VA SCI Centers in the nation and the VA's Centers were accepting non-veterans on a space-available basis. Currently, even with additional VA and non-federal SCI Centers, some VA SCI Centers have long waiting lists of veterans who are in need of care.

In fiscal year 1980 the Veterans Administration had 1,317 SCI beds. At the end of fiscal year 1981 the total SCI operating beds numbered, 1,337. At that time the VA estimated that by Fiscal Year 1987, 1,581 beds as a minimum would be needed in the SCI Program. The VA admitted that this figure was low and that it was based on an assumption that only a small percentage of all SCI veterans would require hospital services in any given year, and that there would be no more wars. If 100 percent of existing SCI veterans required hospital services in a given year the VA has estimated that 6,439 SCI beds could be needed. PVA maintains that the accurate figure is probably some place between these two estimates. Either way, increased SCI services and bed spaces are urgently needed. (VA's "Estimated Bed Requirements of the Spinal Cord Injured Veteran, 1985–1990").

PVA has adopted the position that SCI Centers should be co-located with tertiary care hospitals. The quality medical care required for a spinal cord injured veteran is a complicated subject requiring multi-disciplinary treatment available only at tertiary care hospitals. In the past the VA has considered the establishment of SCI Centers at primary care hospitals, psychiatric hospitals, and other locations, many of which condemns the spinal cord injured veteran to a lesser quality of care.

In order to care for many SCI veterans nearer to their homes and families, PVA last year requested that this Committee authorize creation of an SCI Center in the Mountain or western Great Plains States because of the great distances separating many SCI veterans from these essential facilities. Those who live west of the Mississippi River usually travel to California, Milwaukee, Chicago, or St. Louis if they need treatment in a VA SCI Center. We believe that the ongoing efforts by the VA and PVA will provide information which will indicate where best to locate this center. Additionally, a Spinal Cord Injury Center is needed to serve the Greater Detroit Metropolitan area. This is one of America's largest cities and it has an extensive veterans population.

PVA continues to work with the VA's SCI Care Committee in addressing the needs of SCI veterans. Increasing contacts such as this provide a means for a greater exchange of information which will lead to better health care delivery. Also, PVA is currently working with the Director of SCI Services, Dr. Juan Fonseca, in conducting a demographic study of the SCI veteran population. The results of this study should provide the information required in determining the site of a new SCI Center in the Western region of the country.

PVA wishes to stress the importance of continuing with the previously planned upgrading of existing VA SCI Centers. Tampa, Florida, and Palo Alto, California, are two examples of the urgent need for expansion required to meet patient needs. Many SCI veterans at these locations cannot be admitted in a timely manner for required medical attention. Often previously scheduled admissions are cancelled because of emergency admissions or extension of hospitalization for those already admitted. PVA knows that you realize that situations such as this can be dangerous to SCI veterans if allowed to continue.

The catastrophically disabled veteran requires a continuous level of care. The VA must provide an adequate number of beds for SCI veterans. For many veterans with spinal cord injuries or dysfunction, long-term care is as essential as is acute care. The VA has recognized this and has planned construction of long-term care facilities. These proposed facilities would serve large veteran populations and should be dispersed to help alleviate problems in different regions of the nation. It should be noted that the VA, in its "Spinal Cord Injury Program Plan," proposes 18 renovation projects for SCI Centers and the construction of five new ones. These construction projects are needed, but budget considerations have revealed that funding will not be made available for them. PVA urges this Committee to give special consideration to working for funding so that these facilities can be constructed or renovated as planned.

### *Need for medical research*

PVA believes that the Veterans Administration must place additional emphasis on its medical and prosthetic research programs. Medical research provides the basic framework within which patient care is scientifically advanced. Also, the VA research programs have been proven to be an effective means for furthering the recruitment and retention of high quality, professional medical personnel. The end result in both cases has been a benefit to veterans and to the entire nation.

An example of the concerns PVA maintains regarding medical and prosthetic research is reflected in the fiscal year 1983 VA Budget. The proposed budget indicates an increase of $10,000,000 in funding. However, it must be remembered that Administration decisions had already reduced the fiscal year 1982 funding for research by more than $54,000,000. When this information is considered, the fiscal year 1983 request is placed in a different perspective. The result is a two year reduction below the fiscal year 1981 level, and a net reduction over the two-year period. This reduction in VA medical research is occurring at a time when other federal medical research programs are being reduced even more severely.

PVA is concerned that the VA has failed to achieve recognition of the positive accomplishments its research programs have produced. By gaining credit for its past performance the VA should be more able to make its requests for adequate funding understandable to this Committee. PVA strongly supports such efforts by those involved in VA medical research. Further, PVA hopes this Committee recognizes the importance of medical and prosthetic research and its end result—better care for the nation's veterans.

### *Beneficiary travel*

Mr. Chairman, PVA is especially alarmed over the proposed reductions in beneficiary travel reimbursement. Beneficiary travel is a veteran's entitlement whereby eligible veterans' transportation costs are paid for by the VA when they seek health-care services or require physicals for disability ratings. An example of the need for beneficiary travel funds is that SCI veterans frequently must travel great distances to receive SCI care. The cost associated with transporting a catastrophically disabled veteran can be formidable. PVA regards it as unconscionable that veterans with the most severe medical problems, who have to travel long distances to SCI Centers, would be denied reimbursement.

PVA requests that this Committee carefully examine the proposed changes with a view to providing some fair means by which catastrophically disabled veterans retain this entitlement. A possible alternative may be to reimburse veterans for travel above a certain expense. This method seems to meet the underlying intent of providing reimbursement in order to compensate the eligible veteran for having to travel longer distances to receive VA health care. This method would also provide the catastrophically disabled SCI veteran reimbursement for the added expense of specially adapted vehicles or attendant care incurred in travelling long distances to receive the specialized care available only in SCI Centers.

PVA believes that this program is a good example of the area that the proposed Presidential Commission which PVA has advanced could address. The use of such a commission would enable those veterans most affected by a sudden change in policy the opportunity to provide specific, detailed information for consideration in formulating policy.

### *Vietnam Veterans Outreach Program*

PVA wishes to acknowledge this Committee's efforts on behalf of Vietnam Veterans during the last session. The passage of legislation signed into law as Public Law 97-72 extends until September 30, 1984, the Vietnam Veterans Outreach Program. This program provides much needed services to Vietnam Veterans who have encountered significant problems in re-adjusting to civilian life. The Outreach Program has proven to be a cost-effective method in helping many younger veterans cope with problems which are attributable to their military service.

Added emphasis should be given to expansion of employment services within the Outreach Program. Counselors have found that many problems faced by younger veterans are employment-related. Unemployment among many of those veterans participating in the program often causes cyclical maladjustment. The result appears as follows: the veteran has readjustment problems which cause him employment difficulties. The loss of employment greatly adds to existing readjustment problems: steady employment becomes unlikely and even impossible.

PVA fears that for such individuals this effort will be the last time they seek needed services. This is happening at a time when the economy is forcing many skilled workers with seniority into the unemployed category. It is especially difficult for those who failed to make an immediate re-adjustment to civilian life to compete. Statistics indicate some 660,000 Vietnam Veterans are currently unemployed, and this figure does not include those who are not "actively seeking" unemployment. This added factor could make the figure as high as 1,000,000. It would be unjust to those who fought the nation's most recent war for this program to fail them in what may well be their last opportunity.

PVA recommends that this Committee require the VA to examine its funding for the Outreach Program specifically to address the unemployment problem of Vietnam Veterans. Although money has been approved for the total number of Vet Centers, not all have been opened. Also, the newer Centers have been phased in since the start of the fiscal year. Other appropriated funds, such as those for fee-paid services may not be spent as allocated. PVA believes the money not expended due to phase-in of Centers, or saved from fee-paid services not being fully utilized, should be applied to employment related services. Those services available could be applied in areas of the country where the economic problems and the Vietnam Veteran population correlate. The VA could obtain additional information from counselors in Vet Centers to identify those regions or specific localities which indicate the greatest need for employment assistance. For example, those areas which the Administration has identified as requiring supplemental appropriations for extended unemployment compensation assistance may also contain a large number of under-employed or unemployed Vietnam Veterans.

The major cost of any program is usually its start-up expenses, and the Outreach Program is already in place and providing valuable services. The timely ability to meet and correct the major problem of unemployment of the users of the service should greatly help alleviate future burdens which, otherwise, would be placed on the VA. For example, gainfully employed veterans will require less from the VA's income maintenance and health-care programs, and they will provide a testimony to the fact that the nation does not forget those who have served it. Again, PVA commends this Committee for its past support which has enabled the Vietnam Veterans Outreach Program to survive.

### *Agent Orange*

It took nearly a decade of effort to make neighborhood counseling available to Vietnam Veterans and it appears that conclusive findings concerning the effects of Agent Orange, despite Congressional authorization of an epidemiological study, remain elusive. In the meanwhile, the uncertainty surrounding the possibly adverse health effects of Agent Orange and other substances used by the military continue to haunt many veterans. The actions of the Veterans Administration and other federal agencies in addressing this issue must be accelerated and conducted in an open manner to preclude any semblance of manipulated findings which would absolve the government from monetary and medical liability.

PVA is encouraged by the provisions of Public Law 97-72 which provide health care eligibility for Vietnam-era veterans who may have been exposed to Agent Orange or other defoliant or herbicide toxic substances. However, PVA believes that this Committee must continue its work of oversight and providing Congressional guidance to the VA in this area. The mandated epidemiological study authorized should be carefully scrutinized, especially in its present formative period.

The appointment of Deputy VA Administrator Charles T. Hagel, to oversee and direct an expanded and upgraded VA task force in this area is applauded. PVA appreciates the indications of concern and dedication to finding a solution, as articulated by Administrator Robert P. Nimmo. This problem remains one of deep emotion for both the Vietnam Veteran and his family. PVA believes that this Committee must be prepared to address the perceived problems such as genetic effects that this issue raises.

### *Veterans Administration-Department of Defense Sharing Agreements*

Mr. Chairman, PVA endorses the concept of Veterans Administration-Department of Defense Sharing Agreements, as presented in S. 266, recent legislation considered by this Committee. The increased coordination between these federal agencies would minimize duplication and prevent under-utilization of medical resources. It is anticipated that greater sharing would reduce costs without adversely affecting the quality of care and, in some cases, improve health care delivery. The General Accounting Office, in its study of VA-DOD sharing has indicated that as many as 200 medical facilities in 73 geographic areas lend themselves to some form of participation in sharing, of existing resources. (GAO's "Report to the Congress of the

United States: Legislation Needed to Encourage Better Use of Federal Medical Resources and Remove Obstacles to Interagency Sharing," 1978) This GAO report indicates four areas where obstructions to sharing agreements exist. Restrictive laws limit what types of equipment can be shared between federal agencies, and which beneficiaries can be treated in another agency's facilities. Conflicting agency regulations, policies, and procedures hinder attempts at inter-agency sharing. Disincentives exist at the hospital director level, especially in regard to reimbursement policies. The GAO indicates a need for Congressional guidance in these areas towards the goal of achieving better medical care for the beneficiary at less cost to the government.

PVA believes that both the VA and DOD can benefit from sharing agreements. In achieving the desired goals, PVA asks this Committee to ensure that safeguards are provided to prevent sharing that would affect the quality and priority access of care extended to veterans through the Veterans Administration.

The VA has a history in sharing agreements with private sector health-care providers. Public Law 89–705 permits the VA to share its specialized medical resources with other hospitals and clinics, and also to utilize the resources of community hospitals and clinics when such services are not available in VA facilities. The VA has determined that this legislation has been beneficial to both parties. Evidence of the VA's claim is that most of the sharing agreements are renewed on an annual basis. The result has been better cooperation between VA hospitals and their community counterparts and there has been better utilization of scarce medical specialists and facilities. In fiscal year 1980 102 VA Medical Centers entered into 316 sharing agreements with community health care providers. The VA provided 29,506 outpatient visits, 10,83[illegible] inpatient days of care, and 116,301 other visits at a cost of $7,901,973. The VA was provided with 80,459 outpatient visits, 3,045 inpatient days of care, and 230,278 other units at a cost of $18,306,315.

*Geriatric research, education, and clinical centers*

The geriatrics research, education, and clinical centers, need to be made a viable part of the VA health care system. Public Law 96–330, the "Veterans' Administration Health-Care Amendments of 1980," became law in August 1980, when Congress resoundingly overrode a Presidential veto of the legislation. It is likely that a great deal of Congressional support came because of the proposal's establishment of additional geriatrics centers. Administrative action had already created eight geriatric research, education, and clinical centers within the VA and Public Law 96–330 stresses that these are to be adequately funded before the new centers are to be established.

PVA is very grateful to this Committee and to Congress for giving the geriatrics program the validity of law, rather than relying on Administrative discretion.

However, we are concerned that commitment to authorizing such centers is not being met by a corresponding commitment to funding them. As previously indicated, the fiscal year 1983 VA budget fails to provide for any new geriatric centers.

It is well established that the average age of the nation's veterans is increasing to the point where many feel they are no longer needed by their families, society, and the nation. This corresponds with the physchological problems faced by millions of older Americans.

A true commitment to the VA's geriatrics program would benefit veterans and all Americans, alike. Representative Claude Pepper provided some observations in the October 2, 1979, Congressional Record which are worthy of repeating. Eleven percent of the American population is made up of persons over age 65, and 25 percent of all suicides in the United States are committed by members of this group. Also, 20 percent of all persons in the nation who suffer from alcohol-related problems are in this same age group. It is known, too, that approximately 100 reversible conditions result in the same characteristics as does senility.

Despite determined efforts by Representative Pepper and other Members of Congress, the nation's elderly have not received appropriate consideration in our national priorities: gerontology receives approximately 1 percent of the budget of the National Institutes of Health, and only about 2 percent of Medicare funds go to mental health care coverage for the elderly. The low amount of total Medicare funding for mental health services arises because the program pays only a maximum of $250 annually per recipient for outpatient treatment of mental illness and, unlike its 20–80 co-payment for physical illness, there is a 50–50 co-payment. (Eighty percent of the Medicare funds which do go for mental health services are expended for institutionalized care.)

The VA, and the nation as a whole, presumes that the individual becomes disabled upon reaching age 65. The VA's policy is reflected in the extension of health-care services and pension benefits to certain veterans based upon the controlling criteria of low income and attainment of age 65. Many private employers likewise assume that the individual's usefulness terminates at age 65. In short, federal and social policies reflect the need for geriatric research and counseling, especially when productive individuals are induced into or forced into retirement.

Closely related to the lack of emphasis in the VA's geriatrics program is a pending shortage of domiciliary and nursing home facilities. Despite the need for expanding these facilities, there appears to be little commitment to increasing them by a significant number to a satisfactory level. Furthermore, the VA is running behind schedule in constructing the relatively small number of bed spaces which have been authorized.

The VA and the Office of Management and Budget plan to reduce the number of operating beds within the Department of Medicine and Surgery. PVA strongly recommends expansion, not reduction, of the number of such beds. It seems wasteful and doubly counter-productive not to convert these into long-term care beds. PVA recognizes that in some cases the existing facilities are structurally unfit for any kind of health-care use. Often, though, operating wards are merely closed and taken out of service while the rest of the facility continues to provide useful medical functions. We are appalled that operating beds are completely removed from the system and are not being converted to fill the need for long-term care.

In short, the VA's geriatrics program must be adequately funded and expanded, and there needs to be a corresponding growth in VA nursing home and domiciliary facilities to care for older veterans.

PVA trusts that the VA's geriatrics research, education, and clinical centers will be expanded, and that special awareness will be given to the effects of aging on disabled veterans. An example of this need, which we have seen repeatedly is when a healthy paraplegic develops cardiovascular difficulties in his older age. Veterans with lesser disability ratings also are likely to experience accelerated age-related health problems because of disabilities sustained early in life.

*Summary of PVA's health-care priorities*

To summarize PVA's health-care priorities, first we want to maintain a separate VA medical and health-care system with existing programs being more sufficiently funded. There must be an increase in the number of health-care professionals to provide general and specialized treatment needed by veterans. Also, PVA requests the establishment of an additional Spinal Cord Injury Center in the Mountain or western Great Plains States. Medical research efforts by the VA have resulted in benefits to veterans and the entire nation. Funding should be provided at a level sufficient to continue to attract high quality, health-care professional personnel to the VA. Catastrophically disabled veterans should remain entitled to reimbursement of travel expenses incurred by them for travel to VA health-care facilities. PVA asks that the employment needs of Vietnam Veterans be addressed through the Vietnam Veterans Outreach Program. The unemployment rate for these veterans is the highest in three years. Also, the problems associated with Agent Orange must be addressed by the VA, and oversight and guidance by the Committee must be continued. The issue of genetic abnormalities caused by exposure to Agent Orange or other substances must be addressed. VA-DOD sharing agreements have the potential of reducing costs and for providing better health care. Finally, we strongly urge more complete implementation of the VA's program of geriatric research, education, and clinical centers to serve the aging veteran population.

## DEPARTMENT OF VETERANS BENEFITS AND INCOME MAINTENANCE PROGRAMS

The Department of Veterans Benefits (DVB) of the Veterans Administration has rendered service to millions of the nation's veterans. It has done this in a timely, professional manner aimed at efficient resolutioin of the Department's workload. Personnel shortages have hampered the DVB, at times, in a manner similar to that discussed earlier concerning the Department of Medicine and Surgery. PVA hopes that the Committee will consider the existing economic situation as it addresses VA programs. Continuing high-unemployment and lower than average use of production capabilities adversely affects many of the country's veterans and their families. Further deterioration in the economy may increase the workload of DVB as more veterans are forced to seek assistance. PVA requests the Committee to continue its efforts to ensure that the nation's committment to veterans is met.

*Aid and attendance allowance for non-service-connected disabled veterans*

Mr. Chairman, a major problem which is both health care and income maintenance in nature exists for catastrophically disabled veterans in receipt of pension benefits. As mentioned earlier, under "Health Care," veterans are presumed to be disabled at age 65 and at this age they qualify for non-service-connected disability pension benefits and VA health-care services if their income is quite low. Non-service-connected disabled (NSC) veterans who are younger and catastrophically disabled and who are at similar income levels qualify for the same benefits.

It should be noted that catastrophically disabled NSC veterans have great personal expenses despite the existence of VA health-care services. Many catastrophically disabled veterans, because of their need for attendant care, reside in publicly-financed institutions at considerable expense to the government. While there is an aid and attendance (A&A) allowance included in the pension program for NSC veterans in need of attendant care, this benefit is too low to provide a significant degree of such care for veterans who live independently. Therefore, catastrophically disabled NSC veterans who forego life in government institutions often receive less care than they need, or receive it from friends and relatives who cannot provide it on the regular daily basis required.

In 1976 Paralyzed Veterans of America conducted an investigation of the cost of attendant services. We found that a non-institutionalized veteran who needed full-time, twenty-four hour care required $1,500 per month for such services if they are not provided at least in part by relatives or friends. At that time it cost approximately $2,715 per month to maintain such a veteran in an SCI Center. The average cost for maintaining a veteran in a VA nursing home was approximately $1,090 per month, but this amount included all veterans in nursing homes, some of whom were catastrophically disabled but a majority of whom could provide for most of their self-care needs. (This study by PVA is included in Report No. 95–1231 which accompanied H.R. 11891, a bill incorporated in the "Veterans' Disability Compensation and Survivors' Benefits Act of 1978.") PVA has recently completed a study to update information on attendant services. This study is currently in draft form and will be available soon. It indicates that today's cost for full-time twenty-four hour care averages $2,242.60 for the non-institutionalized veteran. This figure represents an increase of approximately 50 percent. Additionally, the study indicates that this figure represents the minimum of available services in terms of professional level: when skilled nursing care is required, even on a part-time basis, the costs increase dramatically. Nor do these figures address any of the costs of services such as physical therapy.

Today, a non-service-connected severly disabled veteran who is single and qualifies for pension, and who requires attendant care, receives $248.00 monthly A&A allowance and up to $413.33 in pension benefits. In order to receive this maximum of $661.33 the veteran can have only minimal other income, including Social Security benefits. Hence, out of this amount the catastrophically disabled NSC veteran must provide the usual necessities of life and whatever attendant care services he can locate with the remainder.

Mr. Chairman, PVA requests that the aid and attendance allowance for catastrophically disabled NSC veterans be increased to the amount of A&A provided for service-connected disabled veterans.

Obviously legislation increasing the NSC pension A&A allowance to the level of that for service-connected disabled veterans, and the VA regulations implementing it, will need to be at least as restrictive as those delineating eligibility for service-connected disabled veterans. In short, PVA requests the increased NSC A&A for veterans who truly need these funds in order to live independent of institutions.

### *Non-service-connected pension*

Mr. Chairman, since passage of Public Law 95–558, the "Veterans' and Survivors Pension Improvement Act of 1978," Congress has not seen the need for investigative hearings dedicated to examining the need for improvement in the NSC pension program for veterans who served during periods of war. Public Law 95–588 was passed by Congress with the intent of allowing non-service-connected disabled veterans in receipt of pension to elect between the older, lower pension rates or the more recent, higher ones. The latter group was subject to one particular stipulation, that the veteran's and/or spouse's and/or dependents' income was to be counted in computing the veteran's eligibility for pension. The purpose of this provision is obvious, to deny pension benefits to those who do not need it.

This control of the NSC pension program is excessively restrictive in that veterans and their families who are most in need are harmed needlessly. The Senate proposal would have allowed a limited income exclusion, (Report No. 95–1329 to accompany H.R. 10173) but the House provision was contained in the law and it stressed that "the veteran's spouse's and dependents' income shall always be included in determining the pension amount payable to the veteran." The Committee on Veterans' Affairs in the House, like that in the Senate, sought to alleviate the harm which could arise for veterans most in need, and the House Committee allowed for discounting dependents' income when "in the Administrator's judgment," to count such income against receipt of pension benefits "would work a hardship on the veteran or the surviving spouse." (Report No. 95-1768 to accompany H.R. 10173) Obviously both Committees recognized the importance of some form of income exclusion, but this provision, except for certain dependents' income, did not become law.

Considering all of the spouses' earned income for computation of pension benefits of a severely disabled veteran harms families who attempt to help themselves in this time of rampant inflation. In short, these families are not benefitting from their efforts because the individual veteran's pension benefits are reduced or terminated due to the spouse's earnings.

PVA requests amendment of Title 38, United States Code, to allow wartime NSC pension recipients rated 100-percent-disabled (presumption of disability excluded), or their spouses, a partial earned income exclusion up to $2,500 gross income before there is an offset in pension benefits. Allowing for the effects of inflation since Congress considered the "Pension Improvement Act of 1978," this amount would be in keeping with the amount of income the Senate Committee on Veterans' Affairs proposed at that time should be excludible. As noted, the House Committee on Veterans' Affairs recognized the need for excluding dependents' income when, in the view of the Administrator, such an income exclusion was necessary to prevent hardship on the veteran or his spouse. This controlling measure could easily be extended to ensure that only the most needy veterans and their spouses could partake of the suggested $2,500 gross earned income exclusion.

*Work disincentives in the NSC pension program*

The NSC pension program has work disincentives constructed into it that lead to unnecessary government expenditures. Pension benefits are immediately terminated when a pension recipient assumes gainful employment. Even more threatening to severely disabled NSC pension recipients who contemplate employment is that, along with the loss of benefits, eligibility for VA health-care services is surrendered.

Severely disabled younger veterans are often capable of rehabilitation to the point of becoming employed. They are reluctant to attempt employment because they are uncertain of their employability and recognize that the job market is not as receptive to them as it is to other workers. Faced with these uncertainties, severely disabled veterans too often choose to discount employment in favor of health-care and income considerations. Consequently, they fail to recognize their potential productivity, society loses their contributions, and government has additional benefits recipients instead of taxpaying workers.

Congress has recognized work disincentives in other income maintenance programs and has attempted to remove them. PVA requests amendment of Title 38, United States Code, to remove work disincentives from the NSC pension program. First, there needs to be a trial work period during which the disabled veteran can pursue gainful employment and continue to receive pension benefits. This will provide him with transition funds to prepare himself for employment (to include items such as appropriate clothing and transportation) and will ensure him of a subsistence income if his efforts fail. Second, because of the vital importance of medical care for severely disabled persons, the veteran who was formerly in receipt of pension, but who returns to employment, needs to continue to be eligible for VA health-care services.

PVA understands that Congress would require certain limitations on amendments of Title 38 which reflect these needed changes. However, younger veterans' eligibility for pension benefits is presently clearly defined and the degree of disability must be firmly established. Therefore, PVA does not anticipate that veterans will successfully apply for NSC pension benefits out of an ulterior motive of qualifying for VA health-care services, and then return to employment.

Our recommendations for removal of work disincentives would be of no additional cost to the government. Rather, without amendment of Title 38 eligible individuals will continue to receive pension benefits. With appropriate amendment of Title 38, a significant number of these individuals will become gainfully employed taxpayers.

Earlier in this statement we asked this Committee to investigate the adequacy of the NSC aid and attendance, and PVA trusts that the adequacy of the NSC pension program can also be examined. We desire that the program help those most in need while allowing others to be productive citizens.

*Dependency and indemnity compensation (DIC)*

This Committee recognizes the advancing age of millions of veterans, as evidenced by efforts to improve the VA's geriatrics program. A corollary of these demographics is that certain older spouses of veterans are becoming increasingly reliant on survivors' benefits for their support.

When Congress passed the "Veterans' Disability Compensation and Survivors' Benefits Act of 1978" it created a very beneficial law that extends Dependency and Indemnity Compensation (DIC) benefits to surviving spouses and children of certain veterans who were rated 100-percent service-connected disabled at the time of death, but whose deaths have not been determined by the VA to be service-connected.

Again, PVA commends this Committee for this legislation aimed at providing for the survivors of those veterans who are likely to have a shorter life expectancy and, quite importantly, may not be able to accumulate estates sufficient to provide for their survivors. PVA wishes to thank you for your more recent actions during the previous Session. For example, the enactment of Public Law 97-66, the "Veterans' Disability Compensation, Housing, and Memorial Benefits Amendments of 1981," provided for a much needed 11.2 percent increase in the rates payable through DIC to the surviving spouses and children of veterans whose deaths were service-connected.

There remains the inequity that the survivor receives DIC benefits based on the veteran's military pay grade and not on his degree of diability. PVA understands the rationale for awarding benefits based on pay grade when a serviceman dies while in active military service. However, surviving spouses of veterans who were severely disabled for many years deserve a greater benefit.

Too often the surviving spouse of a severely disabled veteran has provided extensive care to the veteran because of his service-connected disability. As we noted earlier, under "Non-Service-Connected Aid and Attendance Allowance," the cost of continuous attendant care can and often does greatly exceed the maximum A&A allowance for even service-connected disability. The result is that despite the very helpful A&A allowance, the spouse often must provide time-consuming services which the veteran cannot provide for himself.

Upon becoming widowed a surviving spouse who receives DIC may be willing to seek employment but she would, in many cases, not have marketable skills due to the constant care needed by the veteran until his death. In addition, the spouse often must seek employment at a time in life when most full-time employees would be considering retirement.

Recently PVA randomly surveyed nearly 100 surviving spouses who are in receipt of DIC benefits. We found that 56 percent were over fifty years of age and that 79 percent were over age forty. Approximately 88 percent were married to 100-percent service-connected disabled veterans for more than 10 years each. Sixty-six percent were married to such veterans for over twenty-one years. Obviously our belief is correct that numerous surviving spouses are left alone in life at a time when employment is difficult for them to achieve. This too often comes after they have helped care for severely and catastrophically disabled veterans for extended periods of their lives.

In early 1978 the Veterans Administration presented to Congress and the President its "Evaluation of Benefits under the Dependency and Indemnity (DIC) Program." This study was done pursuant to Section 204 of Public Law 94-433, the "Veterans Disability Compensation and Survivor Benefits Act of 1976." The "Evaluation of Benefits" noted that 48.8 percent of surviving spouses in receipt of DIC received monthly payments based on pay grades E-1 through E-4 and their mean age, as of December 1976, was 60.49 years. The report projected a decrease in the total number of DIC recipients because of spouses' advancing age and the maturation of dependent children. Also important in the reduced number of DIC recipients is that dependent parents are experiencing an increased mortality rate while others are becoming eligible for old-age benefits.

There is a decreasing number of DIC recipients and, based on their financial needs, PVA urges this Committee to propose legislation to restructure the DIC program to care for the surviving spouses of veterans who served in the lower military pay grades. In these cases DIC should be awarded on the basis of the veteran's degree of disability, not on military pay grade, and we ask that the DIC rate be at least 75 percent of the disabled veteran's monthly compensation rate at the time of death. It must be remembered that these spouses helped disabled veterans live free of expensive institutions, at a savings to the government. Also, DIC benefits based on 75 percent of the veteran's monthly compensation rate will be computed only on basic compensation and will not include awarding a surviving spouse any portion of the veteran's aid and attendance allowance. PVA feels that this is a reasonable request for spouses who have served the nation by helping care for service-connected disabled veterans.

A second amendment to Title 38, United States Code, which PVA strongly supports relates specifically to DIC benefits for dependents when veterans have experienced service-connected spinal cord injuries or dysfunction. With the onset of such disability other bodily systems can break down in a complex manner. For instance, cardiovascular problems can arise very soon after spinal cord injury or dysfunction, and there is a high occurrence of diabetes because of urinary tract malfunction and/or hormonal imbalance. For many SCI veterans these are life-threatening conditions which arise directly from service-connected disabilities but which are not considered as being of service-connected origin for benefits purposes.

The law currently provides that if the SCI veteran dies within 10 years from onset of service-connected disability, but from causes not directly attributed to spinal cord injury or dysfunction, his surviving spouse and dependents do not qualify for DIC benefits. Therefore, PVA requests that Section 410(b)(1) of Title 38 be amended so that in the case of any veteran who has been rated as service-connected disabled because of spinal cord injury or dysfunction resulting in paraplegia or quadriplegia for a period of less than 10 years, and such veteran dies as a result of any disease, DIC benefits shall be paid to the surviving spouse and/or children in the same manner as if the veteran's death were service-connected.

*Section 351—Benefits for persons disabled by treatment or vocational rehabilitation*

Mr. Chairman, a very small percentage of the nation's veterans are entitled to certain benefits because of injury or aggravated conditions experienced "as the result of hospitalization, medical or surgical treatment, or the pursuit of a course of vocational rehabilitation." When an eligible vetern receives treatment and suffers because of, for example, medical malpractice, his benefits are awarded "as if such disability, aggravation, or death were service-connected" to the extent that he can receive monthly compensation benefits. If a veteran receiving VA compensation sues under the rights granted by the Federal Tort Claims Act of 1946 his collection of compensation is delayed until there is an offset of the amount recovered from litigation. In the case of veterans who are severely disabled by improper medical treatment there is an incentive to litigate because Section 351 of Title 38 does not provide full service-connected benefits such as housing and automobile grants and survivors' benefits for dependents which are granted to other veterans rated 100-percent-disabled. Also, veterans injured prior to 1946 have not even had his alternative available to them and have had to rely only on monthly compensation benefits.

For catastrophically disabled veterans who were injured because of misfeasance by an employee of the federal government in a VA program there is the sudden and unexpected need for adaptive housing, for example, for which Section 351 of Title 38 makes no provision.

In June 1981, the Veterans Administration provided PVA with an analysis of the number of veterans receiving benefits under Section 351, and the breakdown, follows:

| Percentage of disability: | |
|---|---|
| 0 | 1 |
| 10 | 36 |
| 20 | 38 |
| 30 | 29 |
| 40 | 42 |
| 50 | 19 |
| 60 | 21 |
| 70 | 22 |
| 80 | 15 |
| 90 | 4 |
| 100 | 35 |

This is an extremely small number (262) of veterans who have experienced severe disabilities through and who are in receipt of compensation under the provisions of Section 351. They have been disabled, quite often, because of the negligence or carelessness of government employees. These veterans have not received benefits equivalent to those which others who have been injured in service to the nation (or who have been injured through errors of the government) have received.

Mr. Chairman, the government has recognized its liability to citizens in certain circumstances, as evidenced by implementation of the Federal Tort Claim Act of 1946, and Congress has further recognized governmental responsibility by implementation of Section 351 of Title 38, United States Code. Section 351 is intended to reduce litigation and to help veterans who suffer injury through no fault of their own.

PVA requests that Section 351 be amended to provide all complete service-connected disability benefits, commensurate with degree of disability, for veterans who qualify under this Section.

*Service-connected disability compensation*

PVA wishes to thank the Members of this Committee for securing passage of Public Law 97-66, the "Veterans' Disability Compensation, Housing, and Memorial Benefits Amendments of 1981". This law increases the rates of disability compensation for disabled veterans by an average of 11.2 percent. PVA has always supported a viable disability compensation progran to care for the needs of service-connected disabled veterans and their families. We must stress that increases in compensation should always keep abreast of the effect of inflation for all service-connected disabled veterans. For the last four years increases in compensation benefits have run slightly behind the rate of inflation as indicated by the Consumer Price Index. As noted earlier, PVA anticipates that the Administration's recommended increase for Fiscal Year 1983 in compensation benefits of 8.1 percent will be adequate to offset the effects of inflation this year. However, PVA is concerned because there has been much discussion given to changing the method by which the CPI is computed. Should the Administration's proposal be based on a method of computation which is less accurate than that which has been utilized, there remians the likelihood of continued adverse effects on service-connected disabled veterans and their families.

Mr. Chairman and Members of the Committee, PVA would like to take ths opportunity to express its sincere appreciation to each of you for your continued efforts to improve the quality of life for service-connected disabled veterans and their families. This dedication was recently affirmed when Congress passed the "Veterans' Disability Compensation, Housing, and Memorial Benefits Amendments of 1981," Public Law 97-66. Once again, this Committee reviewed some of the more urgent needs of veterans and worked to improve the applicable programs. For example, not only were compensation, Dependency and Indemnity Compensation, and the clothing allowance increased by an average of 11.2 percent, but veterans who have lost or lost the use of both upper extremities received added consideration which they so fully deserve. The one-time automobile grant for service-connected disabled veterans was increased from $3,800 to $4,400, which realistically reflects the rising cost of transportation, and automobile adaptive equipment assistance was extended to those who have experienced ankylosis of a hip or knee and who need equipment for personal safety or to meet state licensure requirements.

Public Law 97-66 further reflects your recognition of the housing needs of veterans and authorizes the VA to guarantee graduated-payment mortgage loans, and it increases from $30,000 to $32,500 the maximum amount of grant for acquisition of specially adapted housing.

These are but a few of the provisions of Public Law 97-66, the "Veterans' Disability Compensation, Housing, and Memorial Benefits Amendments of 1981," and PVA considers them as evidence of your dedication to the nation's veterans.

*Presumption of service-connected disabilities*

Some veterans have experienced paralysis because of syringomyelia, pernicious anemia, amyotrophic lateral sclerosis, and transverse myelitis. These are diseases or dysfunctions which have similar effects on the individual, and all four are of unusual orgin, perhaps arising from trauma (as with syringomyelia) or perhaps from exposure to toxic substances. The person on active military duty is quite likely to undergo unusual physical stress or to be subjected to harmful substances, and during the First Session of the 97th Congress the Committees on Veterans' Affairs entertained legislation which would have alleviated financial hardships for certain of these veterans.

PVA remains very grateful to Members of Congress who have introduced legislation which would recognize a presumption of service-connected disability for veterans who have experienced certain neurological disorders. We are especially thankful to Representative John Paul Hammerschmidt for introducing H.R. 4308. This bill would provide a seven-year presumptive period for those veterans rated as 10 percent disabled because of amyotrophic lateral sclerosis. Congress has already provided a similar seven-year period of presumption of service-connection after discharge in cases of multiple sclerosis, and we ask that this same benefit be extended to the very small number of veterans who have experienced syringomyelia, amyotrophic lateral sclerosis, transverse myelitis, and pernicious anemia. We sincerely trust that this Committee will work in the near future to more closely examine the needs of veterans with these unusual and very destructive neurological conditions.

*Summary of PVA's income maintenance priorities*

In summary, PVA strongly supports legislative change of the Dependency and Indemnity Compensation program whereby the surviving spouse would receive DIC benefits equal to 75 percent of the veteran's compensation rate at time of death, in cases where veterans served in the lower military pay grades.

Because of the great expenses faced by catastrophically disabled non-service-connected disabled veterans, we request that the aid and attendance allowance for NSC pension recipients be made equal to that for service-connected disabled veterans in receipt of compensation. We ask, also, that Congress remove the work disincentives contained in the NSC pension program. Such amendment to Title 38 would result in significant savings for the government.

Finally, PVA urges dedication by this Committee and Congress to maintaining adequate rates of compensation benefits so that service-connected disabled veterans will not be further penalized for their sacrifices made in defense of the nation.

*Employment*

Employment for veterans, especially for disabled veterans, continues to be one of PVA's major concerns. Employment has received a lack of emphasis when, in fact, it is a very important aspect of veterans' readjustment upon leaving military service. As was noted earlier in this statement, Congress has authorized an improved, more comprehensive veterans rehabilitation program but has not made available expanded funding to make the program's operation successful.

An examination of the President's budget request for the federal government during Fiscal Year 1983 reveals an emphasis on reduced expenditures for all federally funded and assisted programs dealing with employment and education. For example, under the Five-Part Budget Savings Plan, there appears the intention of the Administration to cut all vocational education and rehabilitation grants by one-third; therefore, it should not be a surprise that the VA's budget request for fiscal year 1983 has so strongly curtailed spending requests for veterans rehabilitation programs.

The reduced support for rehabilitation efforts comes at the same time (and from the same sources) that publicly financed subsistence allowances are being reduced for disabled Americans. This is an incompatible stance, in PVA's view, because disabled Americans generally, and veterans especially, need effective rehabilitation programs to remain available, if they are to return to the work force.

Closely related to the underfunding of the rehabilitation programs in both the VA and government-wide is the virtual abolition of the VA's small business loan program as authorized very recently in Public Law 97-72. Under this new program the Administrator of Veterans Affairs has the authority to assist disabled veterans and veterans of the Vietnam era in their pursuit to establish small businesses for themselves. Again, this is a category of business enterprise which is suffering the most today from economic forces, and it is the one which the White House most often speaks of as standing in need of assistance—it is also the one most often used when the President evokes the image of American business enterprise.

PVA is very grateful to the Members of this Committee for working to achieve Congressional authorization of the small business loans to veterans, as administered by the Veterans Administration. On numerous occasions in the past, such as during last year's annual legislative statement by PVA, we have pointed out the SBA's failure to implement the provisions of Public Law 93-237 whereby veterans are to receive "special consideration." In short, the Small Business Administration has openly defied the law by extending funds to other applicants while veterans' applications for loans have been systematically denied. We also pointed out during those discussions that the SBA's Handicapped Assistance Loans (HAL-1 and HAL-2) were, at that time, the only direct loan funds available for disabled veterans, but these funds are for all handicapped citizens and not just for disabled veterans. Funding proved to be too low to meet the needs of this portion of the population.

While the Administrator has authority to assist veterans in their small business pursuits, through the advancement or guarantee of loans not in excess of $200,000, he will have, under the Administration's budget proposal, no funds with which to extend this service.

On the day of release of the fiscal year 1983 budget proposal, February 8, 1982, the VA briefed the veterans service organizations on the new budget request. At that time representatives from the VA were asked why the Administration seeks to provide no funding for this valuable program in fiscal year 1983, and they responded that the VA's efforts were duplicative of those of the Small Business Administration.

Disabled persons encounter great difficulty in receiving financing for business ventures from private lending institutions. Hence, disabled veterans are covertly penalized for their service to the nation.

The provisions of Public Law 97-72 were intended to alleviate the ills identified above; however, unless funding is made available these worthy efforts made by the Members of this Committee will fail, and disabled veterans will once again be subjected to the lack of consideration for which the SBA has become noted.

### *Veterans Administration insurance programs*

The insurance programs administered by the Veterans Administration have long served as a necessary resource for many veterans (particularly severely disabled veterans) who otherwise would not have access to commercial insurance providers. The maximum levels of these insurance programs have not been increased in recent years and the effects of inflation have reduced the efficacy of them. For veterans to be well-served by these programs they must reflect the prevailing economic conditions of the nation and need to be increased to levels comparable to those offered through commercial insurance.

### *Veterans mortgage life insurance*

Veterans Mortgage Life Insurance presently provides a maximum $40,000 coverage, which is inadequate for today's rapidly escalating housing costs. The average cost of a new home in December 1981, was $83,500, up from $68,000 in November of 1980. For existing, previously owned homes the cost and increases are similar, with a December average cost being $78,000, which is a $13,700 increase over the previous thirteen months. In the case of severely disabled veterans, accessible housing costs are considerably higher. This Committee recognized the problem when it provided for an increase from $30,000 to $32,500 in maximum amounts of specially adapted housing assistance. (Public Law 97-66, Section 502)

If the VFMLI program is to continue to function as a means for a veteran to provide housing security for his spouse and dependents it is essential that the coverage available accurately reflect the prevailing housing market.

### *National service life insurance*

National Service Life Insurance is another Veterans Administration program that has not been increased to offset the effects of inflation. Eligible veterans cannot purchase sufficient NSLI to provide income security for their families. The need for an increase in the maximum level of NSLI is particularly critical for severely disabled veterans who cannot purchase commercial life insurance of for whom premium rates for commercial insurance is prohibitively high. PVA strongly supports an increase in the maximum amount of life insurance available to veterans, specifically an increase to $50,000 maximum for NSLI-RH policies. An increase in the RH policy program would allow service-connected disabled veterans to more adequately provide for their spouses and dependents and negate the lack of private insurance available to them.

### *Summary of PVA's veterans insurance coverage priorities*

PVA requests that the maximum available life insurance for service-connected disabled veterans be increased to $50,000 in recognition of their frequent preclusion from purchasing of commerical life insurance. Also, because of the rising housing cost, there needs to be a corresponding increase in maximum available Veterans Mortgage Life Insurance.

### *Automotive adaptive equipment*

Mr. Chairman, the members of PVA are gravely concerned about proposed changes in the automobile adaptive equipment program. We understand that the proposals being considered by the VA would restrict current availability of the equipment provided through authority of Sections 1901 and 1902 of Title 38, United States Code. This type of equipment alleviates a very special need for catastrophically disabled veterans. PVA requests that the Committee work to ensure that proposed changes are not utilized to restrict service to those severely disabled veterans who require automotive adaptive equipment to achieve even limited mobility.

PVA wished to applaud the VA's efforts in attempting to solve problems at the Veterans Administration Rehabilitation Engineering Center. We wish to thank the Committee for its oversight of the adaptive equipment program and for the opportunity to present our views for consideration. PVA remains supportive of central management of the VA prosthetics system.

## IMPROVED COMPUTER OPERATIONS

PVA is pleased to see that the VA is in the process of reviewing its automated data processing capabilities. The disignation of Deputy Administrator Hagel as coordinator of VA ADP activities indicates the seriousness with which the VA is approaching this important area. We are pleased to see a provision indicated in the fiscal year 1983 budget for the provision for individual VA facilities to acquire increased capabilities through the use of mini computers.

PVA recommends that VA computer capabilities be further expanded within the Department of Medicine and Surgery, and that future computer systems link DM&S and DVB. An example of the need for this linkage is when PVA requested from DM&S a register of spinal cord injured veterans: DM&S was unable to meet this request, while DVB stated that they had the necessary data and the ability to provide it. The use of improved data processing services by DM&S can be applied to the maintenance and retrieval of records, more cost-effect use of VA pharmacies, and, generally, better service to veterans. PVA recognizes that increased computer utilization cannot be accomplished overnight; however, additional delays will only serve to perpetuate inefficient operations and to increase installation costs.

## CONCLUSION

Mr. Chairman and Members of the Committee, I have attempted to itemize PVA's legislative priorities and to explain why these changes to Title 38, United States Code, are needed. Some of these concerns expressly address issues which affect catastrophically disabled veterans and their families. We have also emphasized programs, issues, and areas which will improve the quality of life for many, if not all, veterans. Please keep in mind that PVA is also concerned for the well-being of taxpayers, many of whom are veterans and who do not directly receive benefits and services through the Veterans Administration; therefore, our proposals collectively are to improve benefits for eligible recipients and at the same time reduce waste where possible. For example, PVA proposes increasing the aid and attendance allowance for catastrophically disabled non-service-connected veterans and at the same time we propose removing work disincentives from the NSC pension program so a greater number of disabled veterans will return to gainful employment and self-sufficiency. We also support a strong, viable, independent VA health-care system while we seek greater efficiency within it. PVA feels that improved computer capability will make the system more responsive to veterans' needs and at the same time reduce the cost of administering this expansive system. We are certain that the Members of this Committee, both individually and collectively, share views similar to those of PVA. I, on behalf of the members of PVA, truly appreciate the role each of you plays in helping those who have given of themselves in service to the nation. As mentioned at the outset of this testimony, the typical American does not require inducement to serve this nation. Most Americans, when called upon to serve in the Armed Forces, have dreaded disrupting their personal lives but have weighed the fact that no other government or society has allowed the self-fulfillment of the individual that America offers. They went, they served, and they returned home to peacefully resume orderly and productive lives. Some have been severely injured or distressed by their military duties, but very few have ever said that they would hesitate to serve if called upon a second time.

The assaults on veterans' programs and benefits appear to be mounting. During the past several years efforts by the Administration, particularly the Office of Management and Budget, have been aimed at reducing the scope of programs and benefits provided by the Veterans Administration. And, again this year the proposed VA budget contains recommended legislative changes which will eliminate or reduce previously enacted assistance to veterans. Even more ominous than these actions are the proposals presented by the Congressional Budget Office in the report "Reducing the Federal Deficit: Strategies and Options." The CBO has enumerated, as possible ways of reducing the federal deficit, the taxing of veterans' disability compensation, the elimination of the pension program for non-service-connected veterans, limiting payment of compensation to only certain service-connected disabled veterans, and the closing of a number of VA hospitals. These actions and proposals are not consistent with the nation's recognition of the service and sacrifice made by veterans and PVA hopes that this Committee will continue its efforts on behalf of America's veterans.

Mr. Chairman, and Members of the Committee, with great concern being given to fiscal realities, but with even greater concern for the 30,000,000 Americans who have served in uniform, PVA has stated its legislative priorities. The members of PVA recognize that this body wants to compensate veterans for their service and sacrifice. We have seen this desire reflected in excellent programs created by this Committee. When we criticize certain VA programs or procedures we comment merely on implementation, not on Congressional intent. Our goal is to make the programs which you have created work efficiently and to their fullest potential. National priorities are reflected through the authorization/appropriation process; therefore, the greatest expression of concern for veterans which this Committee can display is to persuade others in Congress to preserve existing veterans' programs and to make them serve the persons for whom they are intended. PVA knows you have done this in the past, we feel confident you will in the future, and we again thank each of you for serving in Congress and on this Committee. I appreciate the opportunity of testifying on behalf of the members of PVA and I will address any questions that I can.

---

## Prepared Statement of National President Ellsworth L. Sharpe and Legislative Chairman George E. Stocking of the Blinded Veterans Association

Mr. Chairman and members of the committee, it is indeed a great pleasure and privilege to appear before this committee today to present the legislative program of the Blinded Veterans Association (BVA).

As you are aware, the Blinded Veterans Association is an organization concerned with the special needs of blinded veterans. We are committed to provide whatever assistance is needed to help blinded veterans overcome their visual disabilities. Our mission is a positive one. Ours is a mission that encourages blinded veterans to reach out to one another and to make use of skills and abilities in deference to visual impairments.

The BVA, however, does not stand alone in offering this assistance to deserving blinded veterans. We have been especially grateful to Congress, especially this commitee, for its continued support of programs that assist blinded veterans. For example, it was Representative Hall who sponsored last year in the House a measure that enabled unmarried non-service-connected blinded veterans to undergo rehabilitation training in VA blind centers and clinics without suffering a reduction in pension payment. Previously, such blinded veterans were financially penalized if their training exceeded three months.

We are especially grateful to the chairman of this committee for his sponsorship of a resolution last year proclaiming August 13 as National Blinded Veterans Recognition Day.

Now, we are here before this committee once again to suggest additional changes in programs for veterans that will eradicate inequities from the current system and offer blinded veterans the support, encouragement, and assistance that are due.

Our paramount concern today is a cost of living adjustment (COLA) in compensation and dependency and indemnity compensation (DIC) payments. The position of the BVA over the years has always been that compensation benefits should be adjusted to reflect actual increases in the Consumer Price Index.

The economy has been hard on all Americans in the last years. While blinded veterans, like all other Americans, are willing and prepared to make the financial sacrifices necessary to improve the economy, it is important that this Congress realize that veterans and their families who rely on veterans' benefits to live must be protected against the ravages of an erratic economy. The approaches taken by this administration to manage the economy—budget reductions and a new federalism—are in sharp contrast to policies pursued by previous administrations. However, veterans' disabilities and the effects and consequences of those disabilities are unchanged. If anything, increased costs of goods and services only wreak havoc with a disabled veterans' population whose standard of living already is a depressed one. As such, it is BVA's request that the cost of living adjustment not be set unrealistically low to save federal dollars and that, instead, this Congress recognize the sacrifices and services already offered by veterans.

In its recent budget message the administration proposes an 8.1 percent increase in compensation payments. This figure, however, does not correspond to recent increases in the Consumer Price Index. By nature, compensation payments are after the fact increases that do not often reflect current costs of goods and services. Today it is nearly impossible to keep up with the costs of consumer products.

We urge this Congress to adopt policies that will enable disabled veterans to maintain the standard of living to which they are accustomed. It is our hope that this Congress will not ask disabled veterans to sacrifice equitable and essential increases in compensation rates. In essence, we urge this committee to set the cost of living adjustment as closely as possible to the exact change in the Consumer Price Index.

*Disability rating schedule*

The BVA has testified before this committee on several occasions to request changes in the VA disability rating schedule. We have testified in the past that the schedule is inherently unfair to blinded veterans; that is, that the compensation payments do not adequately reflect the disability and the financial costs of that disability. As we all know, it is quite difficult and tastless to equate the degree of disability with a monetary figure. However, we must remember that these monetary payments are intended to compensate for the ongoing average financial loss that is being incurred as a result of the disability.

Therefore, we have come before this body again to request that the inequities in the disability rating schedule be remedied. We seek today specific changes in Section 314, and we respectfully ask that you consider these suggestions and improvements in the disability rating schedule before this session expires next December.

The BVA believes that the disabiflity rating schedule does not adequately recognize the various types and degrees of blindness among veterans. We see several problems in this area.

First, we think that a veteran who is totally blind in both eyes, having no light perception should be rated equally to a veteran with anatomical loss of the eyes or with eyes having deformity or scarring. Although in both instances the veterans are equally without vision, the latter case currently is rated more disabled than the former. In fact, the inadequacy of the current rating schedule is such that it is possible for a veteran with a deformity or scarring to have some light perception in one or both eyes. Yet, he would still be rated more disabled than a veteran with no light perception in either eye, but without deformity or scarring. We believe that individuals who have no light perception should be rated the same as veterans with bilateral anatomical loss of the eyes or as veterans with deformity or scarring to the eyes. We encourage this committee to recommend legislation that would increase the compensation for veterans with no light perception to subsection (n).

Second, equally unsatisfactory to the BVA is the current method of rating blindness in combination with hearing losses. It would seem to be obvious that the sense of hearing becomes the principal avenue of information for a blinded veteran. Impaired hearing significantly compounds problems encountered by blinded veterans in their daily living and vocational pursuits. Even minor hearing losses can affect a blinded veterans's directional orientation, thus seriously restricting his mobility in an unfamiliar area. Currently, except for a few statutory provisions dealing with loss of hearing in combination with loss of sight, the Veterans Administration assigns percentages of disability for hearing losses occurring in blinded veterans as if such hearing losses occurred in individuals with normal vision.

Attached to this testimony is a copy of previous legislation that was introduced in the House of Representatives to correct this inequity. (Attachment 1) We encourage members of this committee—collectively and individually—to consider such legislation and introduce it in the House of Representatives.

Third, the BVA is very concerned about the method used to rate blindness in combination with loss of extremities. The schedule is deficient in that if fails to adequately recognize the effect of such additional service-connected disabilities on a blinded veteran.

The loss of tactile sense resulting from use of an artificial hand or foot is considerably more handicapping when it occurs in combination with blindness, since such loss deprives the veteran of essential contact with the environment.

Fourth, the schedule and regulations contain no provision to rate the loss both of visual field and visual acuity. However, the two occurring in combination are considerably more handicapping than either occurring alone, We urge that the schedule be amended so that blinded veterans with loss of both visual acuity and visual field be rated as more disabled.

And fifth, the schedule does not adequate compensate blinded veterans who suffer from severe field defects. The normal visual field is 180°. This translates into an ability to see everything—with the exception of what is behind you—without turning your head. When a veteran has a field defect such that the widest diameter of visual field subtends an angular distance less then 10 degrees, that is a severe disability. His visual field, then, is less than 6 percent of the norm. We think he should be rated 100 percent disabled. Similarly, we feel that a veteran whose visual field subtends an angular distance no greater than 10 degrees shouls be rated 90 percent disabled and a veteran with a field of vision no greater than 15 degrees should be rated at 80 percent. Presently, in all three cases the veteran is rated the same—70 percent disabled.

*Aid and attendance*

A very important concern of the BVA with disability compensation concerns the aid and attendance award for service-connected disabled veterans. We beleive that blinded veterans rated under subsection (n) of Section 314 should be entitled to the lower amount of aid and attendance provided under subsection (r).

As of September 30, 1981, the Veterans Administration listed a maximum of 639 veterans on the compensation rolls who could be helped by making such a change. The total cost to grant the lower tier aid and attendance award ($844 per month) for the next fiscal year would be no more than $6.4 million and probably significantly less due to the number ranked as n ½ who already are entitled to subsection (r) because they are also rated under subsection (k). This is a small amount when considering the constituency to be helped and the impact of such assistance.

Such a change in the system would be consistent with the philosophy and rationale behind the VA rating schedule. The schedule was designed to reflect average economic loss. Yet, it is well-known that the blind experience greater difficulty in locating jobs and maintaining a regular income than any other segment of the disabled population.

Sighted people—even sighted people who suffer from some other form of disability—take many things for granted—things, for instance, like minor home repairs and maintenance, mowing the lawn, driving a car, and reading. However, these are things for which blinded veterans need help—assistance—aid and attendance. Our request is a very modest one. Providing blinded veterans the lower tier aid and attendance would give us the financial means to enlist such services.

Additionally, we would like to see Section 315, subsection (1) amended by adding a special dependent allowance for the disabled adult children of service-connected disabled veterans similar to that now provided for disabled spouses.

By enacting P.L. 94-433, the 94th Congress acknowledged the increased costs incurred by a disabled veteran whose disabled spouse is in need fo aid and attendance. Similar costs are incurred by disabled veterans who have disabled adult dependent children in need of aid and attendance; therefore, a similar allowance should be provided.

*Dependency and indemnity compensation*

The BVA believes that the present rate schedule for the payment of dependency and indemnity compensation benefits to surviving spouses and dependents is unfair and should be amended. DIC rates are determined by the highest rank or grade held in the Armed Forces by the disabled spouse, whereas disability compensation is paid in like amounts for like disabilities. It does not stand to reason that the surviving spouses of disabled veterans should be paid different amounts when those same veterans were paid equal amounts during their lifetimes.

The present policy is based on the rationale that DIC is compensation for lost earnings and that there is a correlation between military pay levels and levels of post-service earnings. Its supporters argue that it would be inequitable to ignore service pay grades in the DIC schedules because a veteran who served in a higher military pay grade probably experienced a greater loss of potential earnings than a veteran who served in a lower pay grade.

Quite bluntly, we are not convinced that this argument has any merit. From our experience, the previous military grade earned by a veteran and his financial status at the time of his death do not have a strong relationship unless the death occurred while on active duty. There is *not* a strong relationship when that service occurred 30 to 40 years ealier. Moreover, we believe that the greater inequity is that the survivors of two disabled veterans, who, as far as compensation is concerned, are equal in all respects other than their former military pay grades, are treated unequally.

The BVA recommends amending Title 38 by changing the DIC rate for a surviving spouse of a veteran receiving 100 percent compensation to 50 percent of the compensation paid to the deceased veteran plus dependency allowance. This would eliminate any discrimination in the current law.

*Education benefits for spouses*

Members of the BVA also have expessed some concerns in past year related to education benefits for spouses. By eancting P.L. 96-466 in 1980, Congress reestablished the principle that veterans be granted an extension for education benefits eligibility. Chapter 35 also provides an extension for spouses equivalent to the period when these individuals incurred disabilities that precluded their entry into or completion of an education program.

The BVA believes that this principle should be expanded to allow those spouses eligible for education benefits an extension of the ten year delimination period equal to the time that they were caring for pre-school children or a disabled veteran. We feel this is justified in that such spouses have been limited in their ability to utilize the education benefits.

Similarly, we believe that the period of eligibility in the case of a veterean's remarriage or first marriage, if the veteran married late in life, should be extended ten years from the date of such a marriage.

*Pension*

It is also the BVA's belief that non-service connected disabled veterans should be eligible for a pension, whether or not service occurred in time of war. Eligibility for most other veterans' benefits programs is based on honorable service to the country whether this be in time of war or peace. Thus, we believe that eligibility for pension benefits should adhere to the same principle. Additionally, it is important to note that nearly one-third of the time considered wartime is actually peace time. In effect, some who actually serves in time of peace receive pensions as if they served in wartime. In some instances, some veterans have missed wartime cut-off dates by only a day or two days. We think this is unfair to those disabled veterans who served in peacetime.

*Homeownership*

The BVA is most concerned with the inability of the service-connected blinded veteran to own his home. This concern has been increasing in past years in proportion to the dramatic increases in home costs and interest rates.

We must remind this committee that the incomes of disabled veterans are fixed incomes. Blinded veterans have struggled simply to keep up with the cost of living. Food and utilities continue to take greater chunks from disability incomes.

Although continuing high inflation and interest rates hurt all citizens and impede, their ability to own homes, it is the segment of the population on fixed incomes who see the dream of homeownership fading into the fantasies of a child's picture book. The situation is especially tragic for the severely disabled veteran, who because of his disability incurred in service to the nation has seen his social and economic mobility frustrated and, in some cases, even halted.

Housing patterns of disabled veterans further aggravate the situation. By the nature of their disability and reduced individual mobility, the blinded veteran is forced to live within the inner city where public transportation is more accessible. And as we all know, housing costs in urban centers are higher than those in rural settings.

The financial difficulties of buying a home also are compounded by the nature of today's housing market. Not only are interest rates and housing costs high, but there also have been major changes in rental living. More and more rental units, especially in urban centers, are being converted to condominiums or cooperatives requiring tenants either to meet the high prices or move to a less desirable location. Such difficulties are compounded even more by the fact that many savings and loan associations and banks will not make GI and FHA home loans. The problem is most acute for the veteran—especially the younger veteran—not fortunate enough to have purchased a home when interest rates were realistic.

In an effort to learn more about the special housing needs of blinded veterans, the BVA recently conducted a survey of service-connected blinded veterans.

More than 3,000 service-connected veterans were sent questionnaires. This survey was not developed as an unquestionnable scientific instrument of public opinion. The BVA simply wanted to learn more about the nature of housing needs among blinded veterans. We are still receiving responses in the mail, so our tabulations are preliminary. However, we do not expect the basic findings to change much.

Our preliminary findings include some very interesting and surprising information. These findings document the need for some additional housing assistance.

Of those who responded, the majority already owned or were paying on a home mortgage. However, there was a very visible minority, nearly 15 percent, who could not purchase a home. Of this number, two-thirds said that the high cost of housing, that is, the combined cost of the house, itself, and the interest, was so high as to discourage them from even trying to purchase a home.

One fourth of this group, however, had tried unsuccessfully to purchase a home. Yet, it is clear that the perception and the reality of high housing costs prevent many blinded veterans from including home ownership as a likely personal and family objective.

Approximately one-third of the non-homeowners and one-fifth of all respondents commented that lending institutions were reluctant to make VA and FHA loans. Quite frankly, we were surprised that these numbers were so high.

The overwhelming comments made by respondents related to high interest rates. Many homeowners commented that they could not afford to buy their same house in today's housing market. Also, many homeowners commented that they would like to move to a better house but could not because of today's housing market, and some added that home improvement loans were beyond their financial capabilities.

We also learned the obvious—that is, the veteran who already owns his home has no need for a VA program that would extend direct low interest loans. Those who would benefit are veterans, especially younger veterans, who have never had the opportunity to buy homes when interest rates were at lower levels. In fact, the evidence from our survey indicates that most of those non-homeowners in our survey have failed to get loans since 1979 when the prime interest rate hit 15 percent and the VA rate hit 12 percent. The increase in both rates over the years is only exacerbating the problem. Today, the prime rate is 17 percent and the VA rate has just been increased to 16.5 percent.

Our survey also demonstrates to us that a new problem is beginning to impact on blinded veterans—a problem that some housing analysts contend is limited to urban areas and apartment renters. Nearly 20 percent of all non-homeowners in our survey had been forced from rental housing due to condominium or co-operative conversion. Again, this is a problem that is only likely to grow in severity in future years, as it is apparent that condo and co-op conversions are more than just a temporary trend in urban centers.

The survey also identified the very stringent financial limitations on veterans. The story of one respondent best highlights the financial problems of blinded veterans. While this veteran's paper work was being processed by the VA, the VA interest rate rose from 13 percent to 15½ percent. This increased his payments by $122/month. He could not afford the increase, and, consequently, this veteran still does not own his home.

Home ownership has always been thought of as a by-product of the American way of life. Home ownership also has often been viewed as a critical factor in the social development of the American family.

The BVA feels very strongly that the Veterans Administration has a responsibility to help service connected disabled veterans rated as "n" or above obtain home loans. More specifically, the BVA recommends that Congress enact legislation to authorize the VA to establish a program of direct, low interest home loans to these veterans.

The drastic changes in recent years in the housing market warrant such a program. Even for the average American family, the probability of home ownership is more and more remote. For the blinded veteran, whose income is linked to and determined by the judgement, wisdom, and fairness of government officials, even the possiblity of home ownership is more and more remote.

Unfortunately, the administration proposes to increase the financial costs of home ownership for veterans. In its budget sent to Congress last month, the administration proposes to establish a ½ of 1 per cent loan processing fee to go into effect in 1983. It is our understanding that this fee will be added to the total home mortgage costs, and it is expected that nearly $95 million in income will be generated and returned to the general treasury. This income is nearly twice the government's costs to administer the VA home loan program. This proposal amounts to no less than a special tax to defray the administrative costs of government benefits for veterans. At a time when the costs of home ownership are at an all time high, it seems unreasonable to add even another penny to already inflated mortgaged payments.

The housing needs of blinded veterans are best expressed by one veteran who responded to our housing survey, who commented as follows: "I feel like the VA should make direct low interest loans to blinded veterans and other service connected disabled veterans. I believe that this will not only help the veteran, but it will also help the housing industry. Our country is in pretty bad shape, when it will not or cannot help its veterans, who helped the country when they were asked."

We would also like to request of Congress that it give special attention for the housing allowance to those 27 blinded veterans who also are double-hand amputees.

### *Visual impairment service*

The Visual Impairment service was established in 1967 to provide services to blinded veterans. However, VIS has been plagued by staffing and funding problems.

The VIS Team Secretary Coordinator is the primary staff person who acts as a catalyst among the various disciplines. The quality an quantity of services for the blinded veteran depend on the amount of the Secretary Coordinator's available time. Yet, generally, VIS Team Secretary Coordinators have other responsibilities in addition to the VIS Teams. Currently, there are only 18 full-time Secretary Coordinators for 77 VIS Teams. We believe that Congress should require the VA to fund Secretary Coordinator positions for all remaining VIS Teams.

*Oversight hearings*

Additionally, Mr. Chairman, the Blinded Veterans Association feels very strongly that both VA and this committee should place greater emphasis on prosthetic and sensory aids for blinded veterans. In the last fiscal year, for example, VA purchased nearly $65 million worth of prosthetics and sensory aids commercially. Only 1 percent of that total, however, included aids and appliances for blinded veterans.

We believe that this committee should schedule oversight hearings on prosthetic and sensory aids for blinded veterans.

A previous hearing held by this committee indicated the need for an overall review of prosthetic research. However, that November hearing did not include a comprehensive review of the special needs of blinded veterans. It is our understanding that this committee plans to hold an oversight hearing soon on spinal cord injury and research needs as well as a general oversight hearing on prosthetic research sometime later this session.

We strongly encourage this committee to review its commitment to the blinded veteran as well and schedule oversight hearings on prosthetic research and services for blinded veterans.

*Conclusion*

This program which has just been outlined is not the composition of just one person or even a handful of blinded veterans. Rather, these measures were initiated and approved in the form of resolutions by the delegate body of the BVA at its annual national convention. This testimony does not touch on all the resolutions passed at our recent convention in August, but it does convey to you our priorities for the coming year. Copies of all the resolutions approved by the BVA delegate body are attached for your information and review. I encourage you to read them and consider each for possible legislation. But, I urge you to give special attention to those issues raised today.

The BVA realizes that all of you are under great pressure this year to make crucial decisions on the budget and social issues. We know the tremendous pressure on all members of the Congress from other organizations and constitutencies. We realize the complex nature of the many issues that a already have been raised so far this session. It is not our intention to add even more to your burden.

We are concerned, however, about an additional change proposed in the recent budget message.

The administration proposes a $19 million cutback in Chapter 31 of Title 38 related to the training and rehabilitation of veterans with service-connected disabilities. The administration proposes to eliminate the dependents' subsistence allowance for veterans undergoing a program of vocational rehabilitation. The purpose of the vocational rehabilitation program is to enable veterans with service-connected disabilities to achieve maximum independence in their daily lives, to improve opportunities for employment, and to maintain employment.

Obviously, this change will impact severely on veterans with families. Veterans undergoing a program of vocational rehabilitation will receive a subsistence allowance as if they were unmarried with no children. Thus, the administration's proposal does not recognize the greater financial drain on families of disabled veterans. And the reduction is not cost effective. It discourages veterans from seeking rehabilitation and their appropriate role in our society. It relegates them to the status of tax-receivers instead of taxpayers.

We are compelled to go on record as being vehemently opposed to this cutback in benefits for blinded veterans and their families. These benefits are more than an obligation by our government—they are a fair and just recognition of the sacrifices and services given by every blinded veteran in the defense of liberty and freedom. By virtue of his disability, the blinded veteran is on record as being willing and prepared to make a sacrifice on behalf of our beloved land. It would be more than hypocritical for this nation to turn its back now on the disabled veteran. It would be a sign to future American families, who may be confronted with the challenge and responsibility to defend freedom, that this nation may not be willing to provide the helping hand when it is most needed on their return home. The compensation program is not a government hand-out. It is both a financial compensation for a disability and a sound investment in the future security and defense of this nation.

We have spoken much today about obligation, responsibility, equity, and service to country. We use none of these words facetiously. Certainly, we do not use them to overdramatize the plight of the blinded veteran.

However, it is this type of language that is necessary to reflect the special relationship between the veteran and his government. It is not enough only to hear about the many contributions the disabled veteran has made to the preservation of liberty and freedom throughout the world. Rather, we want the support of this committee, and this Congress, and the entire federal government so as to provide the disabled veteran with the ways and means to live his life as best he can. That is best indicated by your support for the initiatives we have presented here today.

At a time when budgets and programs are being slashed across the board, we have come here today to ask for increased benefits and increased programs that would provide needed assistance to disabled veterans, especially blinded veterans. In essence, we are swimming against the tide of current political thought. But perhaps, it is time for the Congress to reassess and reevaluate the role of the federal government, especially as it relates to disabled veterans who have served this country gratefully and heroically.

Yes, the disabled veteran is today's quiet hero. We only ask that you not forget about us.

Thank you. We will be very happy to answer any questions.

---

### H.R. 13496, 94th Cong. 2d Sess.

A BILL To amend title 38 of the United States Code to provide increased awards of service-connected compensation to certain blinded veterans who are suffering from additional disabilities

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) subsection (o) of section 314 of title 38, United States Code is amended by striking out "60 per centum or more disabling" and inserting in lieu thereof the following: "20 per centum or more disabling, or the veteran has suffered service-connected total deafness in one ear, or has suffered the anatomical loss or loss of use of hand or of a foot".

(b) Subsection (p) 314 of title 38 United States Code is amended by striking out "In the event the veteran has suffered service-connected blindness with 5/200 visual acuity or less and (1) has also suffered bilateral deafness (and the hearing impairment in either one or both cars is service-connected) rated at no less than 40 per centum disabling, the Administrator shall allow the next higher rate, or (2) has also suffered service-connected total deafness in one ear, the Administrator shall allow the next intermediate rate, but in no event in excess of $1,547.

SEC. 2. This Act shall be effective the first day of the first month following the date of its enactment.

---

### RESOLUTION NO. 1/81

Resolved, that the Blinded Veterans Association, assembled in Arlington, Virginia this 15th day of August, 1981 urge Congress to introduce legislation which would entitle veterans who have field defects which subtend an angular distance no greater than 15 degrees be rated 80 percent, that veterans whose widest diameter of visual field subtends an angular distance no greater than 10 degrees be rated 90 percent, and that those with a 9, 8, 7, or 6 degree defect be rated at 100 percent.

---

### RESOLUTION NO. 2/81

Whereas, Title 38, U.S. Code, Section 314, contains inequities in the disability rating of veterans having total blindness without the anatomical loss of one or both eyes (sub-paragraph M), and

Whereas, under this law is it possible that a man with light perception in one eye and total blindness or anatomical loss or scarring or deformity in the other eye (subparagraph M plus intermediate rates), would have a higher rating than a man who is totally blind in both eyes, and

Whereas, this law is based on the presence of scarring and deformity, rather than on the loss of visual function, and

Whereas, this resents an inequity for the man who is totally blind in both eyes without scarring or deformity, Therefore be it

Resolved, that the Blinded Veterans Association, in National Convention assembled in Arlington, Virginia, supports legislation to change Title 38, U.S. Code, to provide that veterans who are totally blind be rated under sub-paragraph N to equal total blindness with anatomical loss of the eyes or with eyes having deformity or scarring.

## RESOLUTION NO. 3/81

Whereas, Title 38, U.S. Code, in its treatment of visual disabilities makes no provision for rating the combined loss of visual acuity and visual fields, AND

Whereas, a veteran with a visual acuity of 20/200 and a 15 degree field is more disabled than a veteran with the same acuity and a normal degree field, AND

Whereas, the first veteran is 70 percent disabled for acuities and 70 percent disabled for field and the second veteran is 70 percent disabled for acuity only, THEREFORE BE IT

Resolved, by the Blinded Veterans Association in Convention assembled this 15th day of August, 1981, in Arlington, Virginia, that the Congress be called upon to establish a more equitable disability rating system for veterans suffering both the loss of acuity and loss of visual field.

## RESOLUTION NO. 4/81

Whereas, Proposed legislation to liberalize examinations and rating for compensation for blinded veterans with additional service-connected disabilities, such as amputation or loss of hearing, has not been enacted into law, Therefore be it

Resolved, that the BVA continue to urge Congress to enact this proposed legislation into law at the earliest possible date.

## RESOLUTION NO. 5/81

Whereas, the Veterans Administration rating schedule is based on economic loss, AND

Whereas, the last economic validation study by the VA showed that economic loss for blinded veterans was one of the most severe, AND

Whereas, study after study has shown that as a disability group the blind have experienced more difficulty in gaining employment and in establishing an income comparable to the average of the general work force, AND

Whereas, most paralyzed veterans receive more than $500 monthly more than most blinded veterans, AND

Whereas, non-service-connected blinded veterans with 5/200 vision or less receiving a pension are automatically entitled to aid and attendance, yet service-connected blinded veterans are not entitled to the additional Aid and Attendance Allowance under U.S. Code, Title 38, Section 314, subsection (r), AND

Whereas, many people think of aid and attendance strictly as medical care without thinking how aid and attendance could assist a blinded veteran as, for example, reading, bookkeeping, lawn mowing, research and other types of non-medical aid and attendance, AND

Whereas, the Canadian Government provides a special aid and attendance for blinded veterans, THEREFORE BE IT

Resolved, that service-connected blinded veterans rated under U.S. Code, Title 38, Section 314, subsection (n) be entitled to subsection (r) (1), to make blinded veterans more fairly compensated.

## RESOLUTION NO. 6/81

Whereas, home ownership has long been an accepted goal of the American family, AND

Whereas, in our present inflationary economy, the cost of homes has risen greatly, interest rates have become exorbitant, and discount policies at commercial lending institutions have combined to make home ownership for many 100 percent service-connected disabled veterans difficult, it not impossible, AND

Whereas, many Savings and Loan Associations and banks will not make GI and FHA home loans, THEREFORE BE IT

Resolved, that the Blinded Veterans Association in Convention assembled in Arlington, Virginia the 15th day of August, 1981, does hereby urge Congress to pass legislation authorizing the Veterans Administration to make direct, low interest home loans to service-connected disabled veterans, rated as "n". The amount of such loans should be sufficient to permit the veteran to purchase a home without resorting to borrowing from commercial lending institutions and should be limited in amount only by the veteran's ability to repay the loan.

---

### RESOLUTION NO. 8/81

Whereas, the Visual Impairment Service was established in 1967 to provide much needed services to blinded veterans, AND

Whereas, because of staffing and funding problems, these services have not been provided to all eligible blinded veterans, or in equal proportions, AND

Whereas, the VIS Team Secretary Coordinator is a primary staff person who acts as a catalyst among the various disciplines, AND

Whereas, in all but several stations, VIS Team Secretary Coordinators have other responsibilities in addition to the VIS Teams, thus precluding the providing of needed services to all eligible blinded veterans, AND

Whereas, the quality and quantity of services are directly dependent upon the amount of time that the Secretary Coordinator has to devote to this assignment and upon that person's knowledge and motivation to provide the needed service, AND

Whereas, in some stations these services have been even further eroded by decisions made by supervisors regarding the selection, placement and changing of Secretary Coordinators, AND

Whereas, it is understood that direct funding from the Veterans Administration Central Office has been provided to such programs as: alcohol abuse, drug abuse, day treatment centers, spinal cord injury centers, etc . . ., AND

Whereas, better services could be provided to eligible blinded veterans if a similar approach was taken to the funding of VIS Teams. THEREFORE BE IT

Resolved, that the Blinded Veterans Association, in convention assembled in Arlington, Virginia, August 15, 1981, hereby strongly urges the Veterans Administration to take prompt, positive action to provide direct Central Office funding for the positions of Secretary Coordinators of all remaining VIS Teams presently not so funded in the Veterans Administration system, AND BE IT FURTHER

Resolved, that the Director of Blind Rehabilitation, Veterans Administration Central Office, be given final authority and responsiblity for the selection, placement and changing of staff personnel filling the positions of VIS Team Secretary Coordinators.

---

### RESOLUTION NO. 9/81

Whereas, blinded veterans are eligible to receive many different types of prosthetic and sensory aids, AND

Whereas, the complexity and variety of these aids and appliances is increasing greatly, due to rapid technological advances, AND

Whereas, experience has shown that many of the Chiefs of the various prosthetic services are unfamiliar with the needs of the blinded veterans and unaware of the availability of aids to meet these needs, THEREFORE BE IT

Resolved, that the BVA requests that the Veterans Administration provide funding for training of prosthetic chiefs and clerks so they will be sensitive to the specific needs of blinded veterans and aware of the technological advances which have been made, AND THEREFORE BE IT

Further resolved, that the prosthetic chiefs and clerks be provided with periodic reviews to keep their knowledge current.

---

### RESOLUTION NO. 10/81

Whereas, Title 38, USC, Chapter 35 and other pertinent VA regulations and directives, establish a period of eligiblity and entitlement for spouse, widow and widower of disabled veterans rated permanently and totally disabled, AND

Whereas, the VA regulations provide for a time period not to exceed ten (10) years from the date of veteran's eligiblity, AND

Whereas, recent legislation has permitted an extension of this eligiblity of widows, widowers and spouses, beyond this period when such individuals have incurred disabilities which have precluded their entry into, or completion of training, THEREFORE BE IT

Resolved, that the Blinded Veterans Association in Convention assembled in Arlington, Virginia on August 15, 1981, urges the U.S. Congress to pass legislation extending the widows, widowers and spouses eligiblity for a period equal to that during which the said individual was responsible for the care of pre-school or disabled childern, or a disabled veteran, AND BE IT FURTHER

Resolved, that in the case of the veteran's remarriage, the period of eligibility shall extend ten (10) years from the date of such marriage.

---

### RESOLUTION NO. 14/81

Whereas, the United States government has instituted a policy of arbitrarily reducing the size of Veterans Administration Hospital capacity to serve veterans regardless of the needs of the veterans. THEREFORE BE IT

Resolved, that the BVA should strongly recommend to the VA and all appropriate government officials that the VA should do everything in its power to get the hospitals fully staffed to accommodate all the medical and hospital needs of all eligible veterans and especially in the larger cities.

---

### RESOLUTION NO. 16/81

Whereas, all totally and permanently disabled veterans receive like compensation for their like disabilities, AND

Whereas, there is no discrimination as to the rank or grade of the veterans while in the Armed Forces, AND

Whereas, D.I.C. rates are determined by the highest rank or grade held in the Armed Forces, which are discriminatory. It is unfair, that a surviving spouse of a blinded Captain should receive a higher rate of D.I.C. than the surviving spouse of a blinded Corporal, yet while they lived they (the veterans) were equally compensated for their blindness, NOW, THEREFORE BE IT

Resolved, that the members of the Blinded Veterans Association in convention in Arlington, Virginia on August 15, 1981, do urge amending Title 38, U.S.C. by changing the D.I.C. rate for a surviving spouse of a veteran receiving 100 percent compensation to 50 percent of the compensation paid to the deceased veteran plus dependency allowance, thereby eliminating any discrimination contained in the present law.

---

### RESOLUTION NO. 19/81

Whereas, CHAMPVA has been difficult for the families of blinded veterans, AND

Whereas, CHAMPVA has veterans' families from the East Coast using Blue Shield offices on the West Coast, AND

Whereas, Blue Shield has not lived up to its past promises and contracts, AND

Whereas, CHAMPVA has no apparent organized policy for families of 100 percent disabled blinded veterans, THEREFORE BE IT

Resolved, that the Veterans Administration reevaluate its obligation to the families as put forth originally in public law.

---

### RESOLUTION NO. 20/81

Resolved, that non-service-connected disabled veterans be eligible for a pension, whether or not their service was during time of conflict.

---

### RESOLUTION NO. 21/81

Whereas, the U.S. Congress, in P.L. 94–433, acknowledged the increased costs incurred by a service-connected disabled veteran whose disabled spouse is in need of aid and attendance by including Sub-Section (1), (I) in Section 315 of Title 38, U.S.C., which provides a special dependent allowance to the disabled veteran whose spouse is in need of aid and attendance, AND

Whereas, similar increased costs are incurred by service-connected disabled veterans who have disabled adult dependent children in need of aid and attendance, THEREFORE BE IT

Resolved, that the Blinded Veterans Association in convention assembled in Arlington, Virginia on August 15, 1981, urges the U.S. Congress to pass legislation including in Sub-Section (1), (I), of Title 38, U.S.C., a special dependent allowance for the disabled adult children of service-connected disabled veterans, similar to that now provided for disabled spouses.

### RESOLUTION NO. 22/81

Whereas, there are 45 state veterans' homes, located in 33 states and the District of Columbia, dedicated to the long term care of disabled veterans who served honorably in the United States Armed Forces, AND;

Whereas, the various states have cooperated with the Veterans Administration to provide a uniformly high level of care for U.S. veterans in these state homes, AND;

Whereas, the Federal government through the V.A. has reimbursed state veterans' homes for the care of veterans eligible for similar care in V.A. facilities at the following per diem rate: [1]

| | |
|---|---|
| Domiciliary Care—50 percent of the actual cost, N.T.E | $5.50 |
| Nursing Home Care—50 percent of actual cost. N.T.E. | 10.50 |
| Hospital Care—50 percent of the actual cost. N.T.E | 11.50 |

Whereas, inflation has increased costs of the operation of state veterans' homes to a level far beyond costs prevailing when the above rates were established. AND;

Whereas, it is consistent that the federal government reimburse the states for at least 50 percent of the actual cost of care provided in state veterans' homes, especially now that the Veterans Administration requires state homes to meet or exceed its own high standards. NOW, THEREFORE BE IT:

Resolved, that legislation be initiated to provide a more equitable cost sharing by the federal government for the operation of state veterans' homes.

### RESOLUTION NO. 23/81

Whereas, an increasing number of World War II veterans are 65 years of age and older, dramatically increasing the number of veterans needing nursing home care or extended medical care, AND;

Whereas, the Veterans Administration projects the number of veterans over 65 will double in the next five years, and triple in the next ten years, there will be an ever increasing number of older veterans seeking the assistance offered by the state veterans' homes, AND;

Whereas, the 45 state veterans' homes in 33 states and the District of Columbia provided 17,000 beds for the care and treatment of elder and/or disabled veterans, AND;

Whereas, most planning for modernization and/or expansion is predicated on the availability of matching federal funds through the Veterans Administration (P.L. 95-62). NOW, THEREFORE BE IT,

Resolved, that the Blinded Veterans Association supports the continuation of matching federal funds for the construction and remodeling of nursing home care facilities at state veterans' homes, at least at the present level of $15 million per year, for no less than the next five years.

### RESOLUTION NO. 34/81

Whereas, service connected blinded veterans who served after 1949 were retired by the U.S. Military and received such additional benefits as military medical care and space available, military transportation, etc., while those enlisted service connected blinded veterans who served prior to 1949 are not eligible for same entitlements, THEREFORE BE IT

Resolved, that the President of the United States issue an executive order giving these service connected blinded veterans the same entitlements.

## PREPARED STATEMENT OF WINSTON M. ROCHÉ, NATIONAL COMMANDER, AND DON R. PEARS, NATIONAL LEGISLATIVE DIRECTOR, THE VETERANS OF WORLD WAR I OF THE UNITED STATES OF AMERICA, INC.

Mr. Chairman, distinguished members of the House Veterans' Affairs Committee:

---

[1] Public Law 96-151 not funded as of May 14, 1980.

Today could be "D-DAY" for H.R. 1918. Somehow the figures 1918 have a tender significance for World War I Veterans. Because, as you know, the First World War in which this Country participated, ended in 1918, more then 63 years ago. I know, since I, Don R. Pears, then was a so-called Buck Private in the rear rank, at the age of 18 years, and in France, where I had been serving in the Army with the first 100,000 who landed there with the A.E.F. in 1917.

Before proceeding further with my remarks, perhaps I should mention to you that not only did I serve in the Army in both World Wars (as a Captain in World War II), but also that I am a former Speaker of the Michigan House of Representatives, where I served years.

Two of the largest Veteran Organizations in the United States, The American Legion and the Veterans of Foreign Wars, with their hundreds of thousands of members, are on record favoring a pension for World War I Veterans and their Widows. Also, and this is important, the Jewish War Veterans Organization has urged authorization of H.R. 1918. It is their contention that at least 200 or more World War I Veterans are dying every day and they point out that those who still survive have been waiting patiently for the recognition due them these many years.

Honorable Members of this Committee, some of the things I am relating to you today may seem repetitious since you may have heard them before from one of your own Members of Congress or from some other person who has testified before this body. In my opinion however, they have a definite bearing towards the importance of passing H.R. 1918 and are worth repeating.

To comment further on the endorsement of this Pension Bill, you will recall that the Reagan-Bush Veterans Transition Team also is on record recommending that World War I Veterans and their Widows be granted a separate pension, without limitations. With the tremendous support for this proposal among Veteran Organizations and the general public, as well as the large number of Co-Sponsors of H.R. 1918, can this or any other Congress in good conscience turn its back? We sincerely hope the answer will be a resouding NO!

A pension of $150.00 per month can hardly be considered an overly generous amount. It figures out to about $5.00 a day, but for so many worthy and needy old Veterans, it would at least help provide some improvement during the autumn years of their lives and certainly would let them know that this County is grateful for the service and sacrifices which they made while we were at war.

Speaking of dollar amounts of this proposed pension, some of you probably still remember the pay scale during World War I. We received $1.00 per day for Stateside service and $1.25 per day while on duty overseas. Out of that meager pay, we helped our Country further by buying War Bonds and paying for our so-called "War Risk" insurance

How many of us are still around? According to the best information available, only 1 out of 12 of all World War I Veterans are still alive. In my own American Legion Post in Buchanan, Michigan, I am now the only surviving Charter Member still living—out of the 19 veterans who signed the Charter in 1919.

And so, Members of this distinguished Committee, our time is running short and the authorization for H.R. 1918 should be passed this year. And then, if and when the funding may become available, the entitlement cost should be appropriated. Right now it is my understanding that the cost estimate in 1978 was around $2 billion. Today, just three years later, the cost is down to an estimated $1.2 billion. And so it goes due to the extremely high mortality rate among our surving World War I Veterans . . . each year the passage and entitlement of H.R. 1918 is delayed means considerably lower cost and fewer veterans still living to receive it. The eventual cost assuredly now will be well below $1 billion. Is that not a small price to pay to these deserving veterans and their widows?

Referring again the high mortality rate among World War I Veterans, it is not difficult to ascertain that in another 10 years and more likely in another seven years and six months—nearly every Veteran of World War I will be gone and the only World War I pension required to be paid at that time will go to the few widows who may survive. Incidentally, there are fewer widows of World War I Veterans than Veterans themselves, so the pension cost in the years ahead will reduce even faster the cost for the Veterans themselves.

So in closing, may I sum up? H.R. 1918 is a "payment for service". It is for a total amount in an entire year that is less than many elective and executive officials receive in payment for their services for just one month. The average age of all surviving World War I Veterans is about 87 years. Those Veterans are the forgotten citizens of World War I who have been striving for recognition for more then 50 years. They are the veterans who missed out on most the Veterans Benefits which a generous Country has provided since World War I—and which they very materially assisted in securing passage and entitlement. Veterans of later wars came home to many spendid readjustment benefits but too many World War I Veterans came home to bread-lines and apple stands.

Today's Federal programs fail to service the basic needs of World War I Veterans. It is estimated that 70,000 World War I Veterans pass away each year. Sixty-four years have passed since the first American Soldier died in France.

Our Bill, H.R. 1918, is now in the Sub-Committee, awaiting a "mark-up". We respectfully and urgently request that it be favorably reported to the Congress.

Thank you so much for your courteous attention. In just a few months another Armistice Day (or Veterans Day) will be upon us. So many veterans and their widows throughout these United States are looking to you to help make that holiday a most memorable occasion for them.

Passage of H.R. 1918 will mean that America finally has recognized them and they can rejoice in the knowledge that the PENSION is theirs.

We thank you for the opportunity to speak before this esteemed Committee.

○